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bulletin

Vol. XXXIV, No. 876

April 9, 1956



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VOL. XXXIV, No. 876 • PUBLICATION 6314

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The Department of State BULLETIN, a weekly publication issued by the Public Services Division, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, United Nations documents, and legislative material in the field of international relations are listed currently.

For sale by the Superintendent of Documents
U.S. Government Printing Office
Washington 25, D.C.

PRICE:
52 issues, domestic \$7.50, foreign \$10.25
Single copy, 20 cents

The printing of this publication has been approved by the Director of the Bureau of the Budget (January 19, 1955).

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Freedom and Slavery in a Divided Germany

by James B. Conant

*Ambassador to the Federal Republic of Germany*¹

When I last had the honor of being the Charter Day speaker 16 years ago, I spoke as a college president and I spoke about education. Having deserted the ranks of university administrators 3 years ago, I now find myself speaking as the United States Ambassador to the Federal Republic of Germany on the topic "Freedom and Slavery in a Divided Germany."

If anybody had predicted in March 1940 that I should once again be invited to be a Charter Day speaker, I would have been highly flattered by the suggestion. But if anyone had predicted that I should be speaking as ambassador to a sovereign German nation with which we were bound in a military alliance, I would certainly have proclaimed the would-be prophet an utter idiot! For in 1940 Adolf Hitler's grip on Germany seemed unshakable; he had already invaded Poland after having overrun Austria and Czechoslovakia; World War II was in its first stages. I was among the many Americans who had long detested and loathed everything that Hitler and his cohorts stood for in Germany, and I was among those who were fearful that Germany under his control would soon conquer and enslave all Western Europe. Therefore, in those days any suggestion of my being an ambassador to Germany would have seemed not only ridiculous but highly repugnant.

Now, I must confess that my knowledge of Germany in 1940 was incomplete. I did not realize that there existed at that very moment a not inconsiderable number of important Germans who felt exactly as I did about Adolf Hitler, his methods and his goals. But even if I had been

better informed about the internal situation in Germany, I could not have foreseen that, within two decades, from the ranks of the then dissenters from national socialism would come the leaders of a free Germany and that these leaders would determine the mood of a large proportion of the German people.

In 1940 few Americans had ever heard of one Konrad Adenauer, who had bravely defied Adolf Hitler shortly before the Nazis seized the government and, as a consequence of his stand, had been driven out of office as Mayor of Cologne. Today everyone knows and honors the name of Chancellor Adenauer; but I suggest that it is important to remember that he, the present Chancellor of the Federal Republic of Germany, as well as the President of the Federal Republic of Germany, Theodor Heuss, and not a few of the political leaders in the separate states and in the Federal Republic, were during the entire Nazi period literally in danger of their lives. To me it is the first prerequisite for understanding Germany today to realize that these facts have had enormous influence on the history of that country since 1945.

The Spirit of Germany Today

The spirit of Germany today is the spirit of a people who have repudiated the tyranny and brutality of the period of the Nazi rule. Perhaps some of my audience, still thinking in terms of 1945, may question this generalization. If so, I suggest you have failed to understand how Hitler and his followers completely discredited themselves by their actions during the last few years of the total war.

The barbarous revenge which Hitler took after the attempt to destroy him by a bomb on July 20, 1944, his senseless last-ditch resistance in Berlin

¹ Charter Day address made at the University of California, Berkeley, Calif., on Mar. 23 (press release 146 dated Mar. 19).

when the war was clearly lost, his repeated statements that he would bring all Germany down in ruins about him, his orders to flood the mines and destroy the industry (orders which were never carried out), all of these things are well known in Germany and have left their mark. So too have the revelations of the horrors of the concentration camps and the slaughter of the Jews. Therefore, speaking as a reporter of the German scene, I think it correct to state that the legend of Hitler and the Nazis is completely dead. If there should be another significant right radical movement in Germany, such a movement, I feel sure, will not employ the symbols of the Nazis or claim any connection with their history, their slogans, or their goals.

I have dipped back into the history of the terrible years between 1933 and 1945 because I believe that in order to understand Germany today one must first of all understand the mood in which most articulate Germans regard their immediate past. The second prerequisite for understanding our new ally, the Federal Republic of Germany, is to realize what has happened and is now happening in the Soviet Zone. In other words, one must realize that, while some 50 million Germans are enjoying freedom, another 17 million are suffering under the slavery of an imposed communistic system. Not only does the Iron Curtain run right through Germany, but the city of Berlin itself is split between a free Berlin protected by American, British, and French troops and an Eastern Sector ruled as is the zone by a puppet regime subservient to the Soviet masters.

Contrasting Political Systems

If one wants to study the contrast between a free society and the modern form of tyranny which finds its prototype in Soviet Russia, one cannot do better than to examine Germany today. Indeed if one wants to examine the situation in miniature, the city of Berlin provides the best example, for here the Iron Curtain is transparent; one can see for oneself in the Soviet Sector what communism in action is really like. Whether one is interested in political science, economics, education, or the arts and letters, the contrast between the Soviet Zone of Germany and the Soviet Sector of Berlin on the one hand, and the Federal Republic of Germany and free Berlin on the other, is the contrast of night and day.

Take, for example, the two political systems. In the Federal Republic freely elected state legislative assemblies and a freely elected national assembly, the Bundestag, successfully govern a democratic society; rival political parties wage election campaigns much as they do here in the United States. In the Soviet Zone the government is in theory based on an elected assembly and, in addition to the Communist Party, in theory there are parties with other labels. Actually all political activity is but a puppet show with the controls in Soviet hands; there is neither freedom of assembly, of speech, nor of the press.

The regime in the Soviet Zone carries the name "The German Democratic Republic," but what a travesty of democracy is actually in operation is evident from the election of a year ago. Like all elections in Soviet Russia and the satellite states, this election was a farce. A single ballot with a single list of candidates was handed to each voter as he entered the election booth; he or she was expected to deposit it forthwith in a ballot box; the only opportunity the voter had for registering a dissent was to go over to a special corner and ask for a piece of paper and pencil to indicate disapproval of the list. It is hardly necessary to point out that the officials in the booth were certain to report any voter who acted as if he were living in a free land. Everyone in a police state is under duress; it is not surprising that a vast majority of the population of the Soviet Zone went to the polls and cast the required ballot. Whether, as reported, 99.9 percent of the voters voted yes, no one can say, but, when one considers the penalties of failure to toe the line, the figure may be factually correct.

If there were free elections in the zone, there is little doubt that the communistic regime would be repudiated by an overwhelming vote. You will recall that on June 17, 2 years ago, a spontaneous uprising in East Berlin could only be put down by the Soviets' bringing in troops and tanks. The spirit of freedom which was symbolized by those young men who threw stones at the Soviet tanks still burns strongly, not only in East Berlin but throughout the zone—of that fact there can be no doubt.

Over the last 3 or 4 years more than a million Germans have left the Soviet Zone—the refugees still swarm through Berlin at the rate of nearly a thousand a day. In an attempt to diminish this flood the government of the so-called "German

Democratic Republic" recently condemned to death two of its citizens because they were alleged to have advised their compatriots to migrate to the Federal Republic of Germany. This barbarous sentence was denounced by a unanimous resolution of the Bundestag, the elected assembly of the Federal Republic of Germany. As a consequence of this protest and the incensed public opinion in the free world, the sentences have been commuted to life imprisonment, but they still remain an example of the ruthlessness and brutality of a government of Soviet agents.

If time permitted, I would like to tell you of the way the schools and the universities in the Soviet Zone have been remodeled to fit the Communist pattern, how all publications must conform to the official line, how the industries have been nationalized and agriculture reshaped to conform to Communist ideology. Nationalization of industry, for example, has proceeded ahead of plan, and 85 percent of industrial output now comes from nationalized plants. In heavy industry the percentage is even higher—94 percent. I only wish that those who in some free nations appear still to harbor illusions about the nature of communism would go to Berlin and visit there for a few days and talk to the refugees who have come from what the Communists declare to be a workers' paradise but which, in fact, is a terrorized society of slaves.

Prosperity in Western Germany

In terms not only of freedom but also in terms of material prosperity there is a striking contrast between the Soviet Zone and the Federal Republic of Germany. What private initiative can do under a stable political system with a stable currency has been demonstrated once again by the rebuilding of Western Germany. Recovery has proceeded at a most astonishing pace. Today there is little if any unemployment in Western Germany, the factories are running full blast, the export markets are expanding. Prosperity is to be seen at every turn.

In the Soviet Zone, on the other hand, there are recurrent crises and food shortages: Despite the Five-Year-Plan promise to discontinue food rationing by 1953, rationing of meat, fats, sugar, milk, and potatoes continues, and shortages of these and many other food items are chronic, sometimes so severe that even the basic ration requirements cannot be covered for certain prod-

ucts. This is partly due, of course, to the use of Communist methods in agriculture, whose failure is reflected by the fact that crop yields in the zone are an average of 20 percent lower per hectare than in West Germany. Luxury goods are high priced and scarce; automobiles, in comparison to Western Germany, are rarely to be seen.

When one realizes that these contrasts are before the eyes of the German voters, one is not surprised that the Communist vote in West Berlin and in the Federal Republic of Germany has been almost negligible. The Soviet model of so-called "democracy" has no appeal to the Germans who can freely express their view.

The Bundestag election of 1953 was highly significant in this regard. Neither the Communist Party nor the right radical parties polled enough votes to place a single member in the national legislative assembly (the Bundestag). The election in free Berlin of the State Assembly in December 1954 was equally decisive as showing a repudiation of radicalism of the right and left. There can be no doubt about the fact that a vast majority of the citizens of Germany who are free to vote have repeatedly demonstrated their commitment to a political system based on the dignity of the individual, private ownership of property, and parliamentary democracy which insures freedom of speech, religion, and the press.

Many Americans who have reported on Germany in the last few years have emphasized the remarkable prosperity of the Federal Republic. Indeed those who last saw the ruined German cities in 1946 can hardly believe their eyes when they revisit the same spots today. How was the amazing recovery accomplished, many ask. The answer is that several factors were involved. The currency reform of 1948—an act of the three Western occupying powers—was the first essential; closely related was the creation of a government with a banking system that issued a stable currency. Indeed, if anyone ever needed evidence as to the importance of sound money, the recent history of Germany provides the material. From the close of the war until the summer of 1948 very little progress was made in rebuilding the cities and industrial plants, trade was largely on a barter basis, the stores were almost empty. But as soon as the new currency was introduced into the three Western zones, conditions changed almost overnight; people began to work, trade to function, recovery began.

A year after the currency reform the first elections under a new constitution were held, and shortly thereafter Adenauer was elected Chancellor by the Bundestag. The economic policy of his government—the policy of his Minister for Economics, Professor Erhard—proved admirably suited for the tasks which lay ahead. Private initiative and competition were encouraged, socialization of industry was rejected, tax laws were passed which enabled industry to put back its profits into plant reconstruction. And it has been largely by plowing back profits that the industrial recovery has taken place.

Of course, the impetus given by American aid through the Marshall plan was of the greatest importance, and that this is so is freely acknowledged by Germans in all walks of life. All told, the American taxpayer has contributed some \$3.5 billion to the reconstruction of Germany. But I might note that no new aid has been given for the last 4 years except for the city of Berlin, whose situation as an outpost of freedom presents us with special problems.

To the factors I have mentioned should be added three others in explaining German recovery. First, the attitude of the labor leaders who during the critical years refrained from pushing demands for increased wages. Second, the esprit de corps of the technical staff and working force in many factories which enabled these plants to start functioning again as soon as equipment could be put in order and raw materials obtained. Third, the well-known desire of the German people to work hard and effectively once a sound basis is at hand.

Political Developments

To describe the material reconstruction and economic recovery of Western Germany without mentioning the political developments of the critical years, 1946 to 1951, would be to present a distorted picture. For unless there had been a rapid and satisfactory building of representative government, there would be no sovereign Germany today. The process started in the Western zones with the election of state legislative assemblies, which elections gave an opportunity for rival political parties to present programs to the voters. Early in 1948 the three Western occupying powers authorized the governments of the separate states (then 10 in number) to convene an assembly charged with the task of drafting a constitution,

or Basic Law, for a federated republic. A year later such a Basic Law was submitted to the separate states and ratified by a majority of the assemblies. Then followed in the summer of 1949 a national election of representatives of the lower house, the Bundestag, which in turn elected Konrad Adenauer as Chancellor that fall. The Basic Law provides for a national election every 4 years, and the second election took place in 1953, returning Chancellor Adenauer and his coalition government to power with a large majority.

It would take too long to describe in detail the federal structure of the German Government. But there are one or two points of special interest. The upper house, the Bundesrat, is composed of delegates from the state governments, who vote as the state governments direct, each state having a certain number of votes allocated to it which are always cast as a unit. But not all laws passed by the lower house require the concurrence of the upper house—only those which affect the individual states. A supreme court has the power of declaring unconstitutional laws which in the opinion of the majority of the judges are contrary to the provisions of the Basic Law. Thus, this federated governmental structure is somewhat analogous to our own.

At the same time, the Basic Laws provide for a parliamentary government, not a government of divided powers as in the United States. But in order to avoid that plague of rapidly changing governments which has disturbed other European countries, the Basic Law contains a unique provision. It is provided that a vote of no confidence in the Chancellor can only be presented as part of a motion which names his successor, and this motion must be adopted by a majority of the Bundestag by secret ballot. There is little doubt that this provision gave stability to the first government of Chancellor Adenauer, which came into power by only a one-vote margin.

The political history as well as the economic history of the last 10 years in West Germany is thus the story of the successful efforts of a free people. But even more striking is the record of the assimilation of more than 11 million expellees and refugees. When the war ended, about 40 million Germans were living within the area now under the jurisdiction of the Federal Republic. Into this portion of Germany came within a few months nearly 8 million Germans from the East. The job of finding living quarters and work for

this influx can be imagined. In addition, more than 2 million Germans have fled from the Soviet Zone, many literally in danger of their lives.

The danger that all these displaced families and individuals would form an unassimilated and hence dissatisfied fifth of the population was great. If this occurred, a breeding ground for radicalism of the right or left would clearly be at hand. Recognizing what was involved, the problem of the refugees was given high priority by the Federal Government and the separate states, each of which took its quota. Just as a bit of "social engineering," if I may use the term, the work of the officials involved in the gigantic task of resettlement deserves the highest praise. Today it is estimated that well over three-fourths of the refugees are fairly well integrated into new communities and have found suitable employment.

Our New Ally

Earlier in my remarks I spoke of the Federal Republic of Germany as our new ally. I referred, of course, to the fact that last May Germany became sovereign and entered the North Atlantic Treaty Organization. The process of building up a German armed force as part of this organization is now under way. And I may remark in passing that all the political parties are endeavoring to see to it that this army will not be a "state within a state." There is much concern with how a free democratic nation can have a large armed force which is both effective, completely loyal, and under civilian control. If concern with a problem will produce the right solution, this difficult question will be correctly answered by free Germany today.

Though our formal partnership with Germany as fellow members of NATO only began last May, we have been in fact allied with the free Germans in resisting Soviet aggression since the days of the Berlin blockade in 1948 and 1949. The success of the airlift and the brave stand of the inhabitants of Berlin made possible a significant victory for the free world. Furthermore, the struggle transformed the relationship of the American Armed Forces to the population. Legally our status continued to be that of an occupying power. Actually, it was clear to all, we were in Berlin as a defending power. A partnership between Germans and Americans developed in the beleaguered city, and after the blockade was

lifted the new relationship continued and gradually spread to cities and towns in the American Zone.

After the invasion of Korea more than one high ranking official begged us to increase our military strength in Germany. We did so early in 1951, and this fact in itself was evidence that, while the legal status remained unchanged, our soldiers henceforth could only be regarded as defenders. Discussion soon started as to how the Germans themselves could participate in the defense of Europe by once again organizing military forces. In the meantime the formal relation remained unchanged, but the spirit was altered; the German Government agreed to continue to pay what was known as occupation costs but which were recognized as in fact the Federal Republic's contribution to the defense of Europe.

I am told by those who were then in Europe that the winter of 1950-51 was a period of great fear. The possibility the Soviets might overrun an almost defenseless Germany and France was evident for all to see. Then came the strengthening of our forces, the appointment of General Eisenhower as Commander in Chief of NATO; anxiety gradually diminished. But it has taken far longer than anyone then imagined to end formally the occupation of the territory of the Federal Republic and provide a legal basis for a German armed contribution.

At the moment it is only in the Soviet Zone that any large number of Germans are in uniform and carrying arms. The puppet government has armed and trained some 100,000 of its youth. One may well doubt whether these soldiers are either honored or respected by the population. Yet because the power of the police state in the Soviet Zone is backed by the presence of Russian troops, there can be no question but that the regime has *physical* domination of the unfortunate inhabitants of the enslaved part of Germany.

The Future of Germany

What of the future, you may ask. We are allied to the free peoples of Germany today in defense of Europe. The only government entitled to speak for them, the freely elected Government of the Federal Republic, is by its own declaration a provisional government, for it has been elected by only the inhabitants of what were once the American, British, and French Zones. While praising its accomplishments and welcoming it as

a partner, we must at the same time hope for its replacement by an all-German government freely elected by the inhabitants of the Soviet Zone as well as by those of the Federal Republic. This is the paradox of the present, a result of the tragic split of Germany today.

As the Governments of the United States, Great Britain, and France have repeatedly declared, there can be no hope of lasting peace and security in the world until German reunification is achieved, until an all-German government is established in Berlin. When that day comes, the history of the Federal Republic will have been concluded.

I have tried to tell you something of its present achievements, material, political, and spiritual. It has restored the German people to a position of respect among free nations; it is now our ally in the gigantic struggle of our times; its problems are our problems. To cooperate effectively the United States and the Federal Republic must seek to understand each other.

Tasks and Responsibilities of the Foreign Service

Remarks by Secretary Dulles¹

I am happy by my presence here to testify to the tremendous importance which I attach to the Foreign Service of the United States and my gratification that so many persons, some for the first time and others in midcareer, are going out into it with the special qualifications that you get from the Institute.

As perhaps many of you know, my family has been identified with the Foreign Service of the United States for a long time, going back several generations. But when I recall some of those earlier days, I think how different the tasks and responsibilities were then from what they are today. They are just totally incomparable.

I have traveled about a good bit, as you may have heard. I have been to a total, I believe, of 38 foreign countries, and in each of those countries I have made it a practice to ask the Ambassador to bring together the members of the Foreign Service and of the related United States

services in that country. I have tried to take advantage of my presence to have a little talk with them and to tell them what I think about the Foreign Service and its responsibilities today.

To a greater extent than ever before in our history, the fate of our own national future—and I think one can fairly say of the future of most of the free world—rests upon the group of people who make up the Foreign Service of the United States. In time of war that responsibility rests upon the military services primarily. In time of assured peace the task of the diplomat—of the Foreign Service officer—may be an amiable one, reflecting what it was in the earlier days to which I referred. But in times like these the responsibilities of representing the United States abroad have become immense. There is today what is called a “cold” war. There is a struggle going on which is worldwide in scope. The danger constantly exists that that struggle could break from the so-called cold war into a hot war. We must realize that in every post the loss of the so-called cold war could have grave consequences not only in that country but in adjoining countries.

As I was just saying to Secretary Henderson as we were coming down here from my office—there is no single post today that is not of great importance. I think there are about 80. The number is increasing as new countries come into being. We have a few new countries every year now. At every one of these posts the problems are major and important, and a loss there—a breakthrough there—could have serious consequences, just as in time of war a breakthrough by the enemy at any point could have serious consequences all along the line. So it is today.

Now, it used to be said that the practice of diplomacy for the people in the field is not complicated—that all they need to do is to deliver notes and to receive notes. But nothing could be further from the truth today. I believe that we perhaps went through a period when that was the case. But as things are now, on the basis of my observation, the personal qualities of the members of our Foreign Service are often the decisive element. It is particularly important that they develop the ability to make decisions, to report their observations and opinions in an understandable way, and to understand the point of view of their own Government or that of the Government to which they are accredited, as the case may be.

I find that on my trips abroad it is most helpful

¹ Made on Mar. 29 at graduation exercises for Foreign Service officers graduating from the Foreign Service Institute (press release 167).

to talk face to face with the Foreign Ministers of other countries. After such talks I am able to understand better their point of view and to obtain a better understanding of the despatches and cables that come to me. I can do that kind of thing in a certain number of countries once in a while. But the big task of helping me to such an understanding, of assisting me in obtaining the proper background, rests upon our Foreign Service officers. They have the task not only of understanding and interpreting accurately the point of view of the country to which they are accredited but equally the task of understanding the United States point of view and transmitting that in an acceptable way.

It is sometimes easy for a Foreign Service officer to get to feel that his job is to please the country to which he is accredited. It is of course his job to keep on good relations with the peoples of the country to which he is accredited. But he must never forget that he is serving the United States. And it is vital that he have the capacity to understand United States foreign policy and to realize that that foreign policy is, as far as we can make it so, a coherent one. We don't make our foreign policy just to please the people of country "X," or country "Y," or country "Z." It may please country "X" and it may not please country "Y." Well, that is tough on the Foreign Service people that live in country "Y." But it is a part of their job sometimes to face a tough situation.

We receive reports—reports of the kind that some of you people who are graduating here today will be making from different posts. We put those reports together with similar reports that come in from other posts and use them in formulating our policy. When our policy decision goes out, it may not be the thing that you recommended. You may feel disappointed about it. It may make your job harder. But remember that the overall strategies and policies are made by giving consideration to many factors. If something comes to you that you don't like, it's because we in the Department have received information from other sources which has led us to believe that the policy upon which we have decided is the best policy in the interest of the United States. Your job is to understand and make that policy understandable to the leaders of the governments to which you are accredited. That is a task which cannot be performed merely by delivering written notes or by

receiving written notes. A personal element has reappeared today in these relationships to a very marked degree indeed.

An illustration of the importance of personal relationships is the meeting which I attended the last 2 or 3 days at White Sulphur Springs, where for the first time in history the President of the United States has met with the Heads of Government of the two countries to the north and south of us. What was our purpose? It was not to solve any problems. We had no concrete problems on our agenda. It was to create conditions which would make problems which may arise more solvable. You who are in foreign posts will find that your task is not just to solve some concrete problem, although there will be plenty of problems, but that you may also have the task of creating relationships, creating understanding, so that when particular problems arise the atmosphere will be such as to make those problems more solvable. This will be a tremendously exciting job.

Those of you who are in the midcareer group already know the fascination, the burdens, the tasks, the responsibilities of the Service and are better qualifying yourselves to solve them as you go into senior positions. Some of you are just completing your beginning course and will be assuming these tasks and responsibilities for the first time.

I congratulate both groups. I congratulate you not only on what you have accomplished to date but upon the future that lies ahead of you, the future which will not always be easy.

In the talk I made last Friday night, after I came back from Asia,² I emphasized that we must have more people who are willing to take on tasks of this sort, recognizing that the sacrifices are considerable, recognizing that they cannot be rewarded in material things since they are not selling themselves in a market place to the highest bidder. We must have more people who recognize that it is the great American tradition to carry the American message, the knowledge of the American way of life and our ideals, to the four corners of the globe. That is what our Nation was founded for, really.

The opening paragraphs of *The Federalist* papers point out that it seems to be reserved for the American people by their example to show the other peoples of the world how a free form of so-

² BULLETIN of Apr. 2, 1956, p. 539.

ciety can be organized and that upon the success or failure of our experiment will depend the welfare of all humanity. That has been the concept of our Nation since its earliest days. It is the task of those of you who are graduating today to carry out that great American tradition. In this Institute you have been qualifying better to perform this task. I am sure that in carrying it out you will have satisfactions which can be gained in no other way.

Canadian-Mexican-U.S. Meeting at White Sulphur Springs

At the meeting of the Canadian-Mexican-United States Heads of Government at White Sulphur Springs, W. Va., March 26 to 28, the three countries were represented by the following delegations:

Canada

Louis S. St. Laurent, Prime Minister of Canada

Lester B. Pearson, Secretary of State for External Affairs of Canada

Arnold D. P. Heeney, Ambassador of Canada to the United States

John W. Holmes, Assistant Under Secretary of State for External Affairs of Canada

Mexico

Adolfo Ruiz Cortines, President of the United Mexican States

Luis Padilla Nervo, Minister of Foreign Relations of Mexico

Manuel Tello, Ambassador of Mexico to the United States

United States

Dwight D. Eisenhower, President of the United States

John Foster Dulles, Secretary of State of the United States

Livingston T. Merchant, Assistant Secretary of State

Henry F. Holland, Assistant Secretary of State

Francis White, Ambassador of the United States to Mexico

R. Douglas Stuart, Ambassador of the United States to Canada

U. S. Makes Final Payment to U. N. Refugee Fund

U.S./U.N. press release 2377 dated March 27

Henry Cabot Lodge, Jr., U.S. Representative to the United Nations, on March 27 transmitted to the Secretary-General of the United Nations a check for \$261,000 representing the final pay-

ment by the United States on its 1955 pledge to the U.N. Refugee Fund. This brings to \$1,006,000 this country's 1955 contribution to the program which is designed to find permanent solutions to the problem of the European refugees made homeless by war and the political upheavals which followed.

The U.S. pledge was for \$1,200,000 for the calendar year 1955, but this was made on the understanding that the U.S. contribution should not exceed one-third of all governmental contributions to the fund.

The President has recently asked Congress for an appropriation of \$1,500,000 for the program for 1956 on a similar basis and has also requested that the unexpended balance for 1955 be carried over for use in 1956. In addition, the President has requested \$800,000 for the first 6 months of 1957; if appropriated, these funds would facilitate advance planning for the program.

Atoms-for-Peace Agreement With Thailand Signed

Following are the texts of statements made at Bangkok on March 13 by Secretary Dulles and Prince Wan Waithayakon, Foreign Minister of Thailand, on the occasion of the signing of a Thai-U.S. agreement on the civil uses of atomic energy.

STATEMENT BY SECRETARY DULLES

Today, with the signing of this agreement on the civil uses of atomic energy, Thailand and the United States have forged yet another link in their partnership for peace and human well-being. As we all know, this partnership goes back over a century. I am proud that American doctors, educators, and experts in many fields have worked with Thai doctors, nurses, teachers, and technicians to put to use the scientific advances in medicine and other fields. These Thai and American pioneers built the Thai-American partnership on the solid foundations of mutual help and mutual respect as they labored together. With the inception of the Thai-U.S. economic cooperation program, this Thai-American joint effort was expanded and accelerated as new scientific discoveries and new skills were brought to bear in Thailand in the fields of agriculture, public health,

education, and transportation. Thai and American experts, working side by side, have evolved improved breeds of rice, rid wide areas of malaria and other diseases, expanded water supplies and communications, and made higher education available to many. In turn, Thailand has shared its skills in many of these fields with its neighbors and fellow members of the United Nations while in turn receiving aid in certain fields from international organizations as well as the United States. We can look with deep satisfaction upon our joint achievements while pushing forward with the task of continuing to improve the conditions under which men live.

Now science has put a wonderful new force within our grasp—the untold energy of the atom. The President of the United States, by his personal sponsorship of the atoms-for-peace program, has shown the United States desire to share this knowledge and help provide equipment to its friends so that by pooling efforts the benefits of atomic science may be sooner and more effectively realized. To this end the United States has worked earnestly with the other nations principally involved toward the establishment of an international atomic energy agency. Representatives both of Thailand and the United States have attended and contributed to a very successful international conference on peaceful uses of atomic energy held under the auspices of the United Nations in Geneva last summer. The United States has concluded a series of bilateral agreements with other nations of the free world providing for cooperative efforts in this vast new field. In signing this agreement here today, Thailand joins in this program designed to advance the frontiers of science for the benefit of mankind. This program is imaginative, exciting, and realistic. The agreement lays a basis for further cooperation between Thailand and the United States in this important field, including the establishment of an experimental reactor in Thailand. Radioisotopes to fight the ravages of disease can thus be made available to Thai hospitals and medical schools. A major source of training in this important technology would thus be set up in Thailand; eight Thai scientists have already gone to the United States for training in the fundamentals of atomic science.

We must not expect atomic science to work any sudden far-reaching miracles. We must carefully build up common knowledge, work out common

problems, develop and share skills. Progress may well be slow in the beginning as we explore the complexities of atomic science. Here or anywhere it is a long path from the scientific laboratory to the engineering drawing board and to the completion of any project in this field. Yet explorations in this field of atomic energy to date give stirring indications of the potential benefits to all men which we may some day realize. As we strive forward, we must display those characteristics of resourcefulness, devotion to duty, industry, and mutual assistance and cooperation which characterized the work of those Thai and Americans who pioneered in the fields of medicine and applied sciences here in Thailand.

STATEMENT BY PRINCE WAN

It was indeed a great day in history, pregnant with unlimited possibilities of benefit to mankind, when President Eisenhower announced to the world through the United Nations his atoms-for-peace program. It stands as a landmark in history because it marks the determination of man to harness this new potential source of energy for peaceful uses. It opens up a wide vista of untold benefits that will accrue to mankind. With the lofty spirit that inspires the American people your Government now offers to let the world share in the knowledge and experience you have gained in this new field of science.

In this spirit your Government has already opened up your institutes to provide training for scientists from other countries. As you mentioned, eight Thai scientists have already gone to the United States for this purpose and more will follow. An atomic research library is also being made available free to Thailand. I understand that the materials are already here and will shortly be presented by your Ambassador to His Majesty's Government.

And now comes this agreement for cooperation between our two Governments in the establishment of an experimental reactor in Thailand and in making available to Thailand the requisite materials for experiments in research in the peaceful uses of nuclear energy to the end that diseases may be fought and other uses in agriculture and industry might follow later on.

We recognize that, in your offer to let the world share in the program for peaceful uses of nuclear

energy, your Government is moved purely by the noble desire to promote the happiness of mankind. As you aptly put it, Mr. Secretary, the program initiated by the agreement which we have just signed is designed to advance the frontier of science for the benefit of mankind. It is indeed imaginative, exciting, realistic, and, I might add, also extremely generous. We are deeply grateful for this assistance and gladly accept it in the spirit in which it is offered, for we know that no sinister motive lies behind it. It is offered to us in the same selfless spirit that moved American missionaries and other humanitarian workers, men and women, to devote their untiring efforts, for well over a century now, to help our people in the promotion of their health and welfare.

Mr. Secretary, this agreement is yet another testimony of the unshakable resolve of your Government to promote the progress of mankind so that men can live in freedom and have the necessary conditions to develop their freedom. It is also another landmark in the history of Thai-American relationships which have grown and are growing ever closer and firmer every day. I am indeed proud and highly honored to be able to participate with you, Mr. Secretary of State, in this historical event.

Sale of 129 Tons of Heavy Water in Atoms-for-Peace Program

The Atomic Energy Commission on March 13 announced approval of the sale of 129 tons of heavy water to six nations for assistance in their peacetime applications of atomic energy. Sixteen tons of the material have been shipped abroad.

The initial consignments of 11 tons to Great Britain and 5 to France were manufactured at the Commission's plant at Dana, Ind. Heavy

water also is produced at its facilities in South Carolina. All sales are at the price of \$28 per pound announced August 8, 1955.

Included in the 129-ton total was an additional 11 tons for the Government of India. An original order of 10 tons for India, announced February 12, 1955,¹ was the first to be approved for this special reactor material under the President's atoms-for-peace program. The 21 tons will be used by the Government of India in a research reactor which the Government of Canada has announced it plans to give India under the Colombo Plan.

The total amounts approved for sale are as follows: United Kingdom, 50 tons; France, 30; India, 21; Australia, 11; Italy, 10; and Switzerland, up to 7, with 2 tons to be delivered by August 1957.

Britain will use the material in several of its civilian research reactors. The Swiss order is to go to Reactor, Ltd., the private group which carries on nuclear research in Switzerland and operates the pool-type research reactor purchased from the United States at the close of the atoms-for-peace conference in Geneva last August.

Heavy water is used as a moderator in several types of reactors to slow down the speed of neutrons emitted in the splitting of atoms of the fissionable uranium-235.

Mr. Allyn To Be U.S. Representative to Eleventh Session of ECE

The Senate on March 28 confirmed Stanley C. Allyn to be a representative of the United States to the 11th session of the Economic Commission for Europe.

¹ BULLETIN of Mar. 7, 1955, p. 396.

The Development of United States Policy in the Near East, South Asia, and Africa During 1955: Part III ¹

by Harry N. Howard

MUTUAL SECURITY PROGRAMS AND U.S. TECHNICAL AND ECONOMIC ASSISTANCE

Broad Character of United States Programs

There was continued recognition, during the course of 1955, of the positive necessity of technical and economic assistance, especially in such underdeveloped areas as those of the Near East, South Asia, and Africa. Although the Soviet Government spoke much of technical and economic assistance, particularly during 1955, it had not participated in the United Nations Technical Assistance Program, hitherto condemned as a design for colonial exploitation, until 1953 and then under restrictions and with a very small contribution.² On the contrary, the United States has long engaged, both directly and through the United Nations, its specialized agencies, and regional organizations, in constructive programs of assistance. U.S. participation is based on the realization that the maintenance of international peace and security, the preservation of the political independence and territorial integrity of states, the promotion of political stability, and the processes of orderly change are all interconnected.

The record of the United States in this field is an impressive one. Between July 1, 1945, and September 30, 1955, the total of United States grants and credits to other nations reached \$52,287,000, of which no less than \$41,340,000,000 was in net grants. Some \$17,248,000,000 went for economic and technical assistance, famine relief, and other urgent relief. Of these amounts, grants and credits in the Near East and Africa totaled \$4,466,000,000, the net grants reaching \$3,934,000,000 and credits \$532,000,000. In South Asia, grants and credits totaled \$548,000,000, with the net grants standing at \$280,000,000. A more detailed picture of the situation in the Near East, South Asia, and Africa as a whole may be seen from the accompanying table.³

Summary of Net U.S. Grants and Credits in the Near East, South Asia, and Africa (1945-1955) ⁴

	Net Grants	Net Credits	Net Total
Greece	\$1,208,000,000	\$81,100,000	\$1,289,000,000
Turkey	226,000,000	94,000,000	320,000,000
Iran	147,000,000	54,000,000	201,000,000
Egypt	26,000,000	4,000,000	30,000,000
Israel	233,000,000	137,000,000	370,000,000
Jordan	25,000,000		25,000,000
Liberia	6,000,000	19,000,000	25,000,000
Unspecified (Near East and Africa)	189,000,000	-7,000,000	182,000,000
Afghanistan	3,000,000	26,000,000	29,000,000
India	116,000,000	228,000,000	344,000,000
Pakistan	142,000,000	15,000,000	157,000,000
Unspecified (South Asia)	19,000,000		19,000,000
Totals by Area			
Near East and Africa	\$1,967,000,000	\$532,000,000	\$2,499,000,000
South Asia	280,000,000	268,000,000	548,000,000
Near East, South Asia and Africa	\$2,247,000,000	\$800,000,000	\$3,047,000,000

¹ This article does not cover the contribution of the Department of State International Educational Exchange Service in this area. For a brief account of activities under this program, see *The International Exchange Program, 15th Semiannual Report to Congress* (Department of State publication 6293, 1956).

² Department of Commerce, *Foreign Grants and Credits by the United States Government*, September 1955 quarter, tables 1 and 2. Net figures cited here differ from certain of the individual country figures cited below because they are computed on another basis.

¹ For Part I of this article, dealing with political issues, see BULLETIN of Mar. 19, 1956, p. 452; for Part II, on problems of regional security, see *ibid.*, Mar. 26, 1956, p. 510. Mr. Howard is United Nations adviser for the Bureau of Near Eastern, South Asian, and African Affairs.

² For a U.S. statement on Soviet participation, see BULLETIN of Mar. 5, 1956, p. 395.

A potentially important phase of the broad U.S. program was the initialing of a series of atom-for-peace agreements with Turkey (May 3), Lebanon (June 2), Israel (June 3), Pakistan (June 15), and Greece (June 22). Under these agreements, the governments concerned were to receive information concerning the design, construction, and operation of research reactors and their use as research, development, and engineering tools; the United States Atomic Energy Commission was to lease up to 6 kilograms (13.2 pounds) of contained U-235 in uranium enriched up to a maximum of 20 percent U-235. The agreements also provided for exchange of unclassified information in the research reactor field, and on the use of radioactive isotopes in physical and biological research, medical therapy, agriculture, and industry. The agreements would enable the countries involved to acquire valuable training and experience in nuclear science and engineering for the development of peaceful uses of atomic energy, including civilian nuclear power.⁵

Assistance Programs During 1955

The programs of economic and technical assistance during 1955 were within the broad framework which had been elaborated over the years. As President Eisenhower explained in his foreign economic policy message to the Congress on January 10, the self-interest of the United States required "economic strength among our allies" and "economic growth in underdeveloped areas" in order to "lessen international instability growing out of the vulnerability of such areas to Communist penetration and subversion."⁶

President Eisenhower's theme was carried forward in his recommendations for the 1956 mutual security program, transmitted to the Congress on April 20, in which there was considerable stress on the problems of the Near East, South Asia, and Africa.⁷ All told, the President recommended that Congress approve funds totaling \$3,530,000,000 for the mutual security program, of which \$712,500,000 was for economic programs, including \$172,000,000 for a continuation of technical

cooperation programs, \$175,500,000 for special programs, and \$165,000,000 for development assistance; \$179,000,000 was to be allocated to the Middle East. In all, about \$812,500,000, or about 25 percent, was requested for nonmilitary programs. In a statement of May 5 before the Senate Committee on Foreign Relations, Secretary Dulles declared:

International communism is pressing hard to extend its influence in Asian countries which lack the economic strength to support an adequate defense establishment and to provide the necessary foundation of political stability and steadily improving living standards.⁸

Mr. Dulles was convinced that a continuation of this "investment of strength" under the mutual security program could meet the Soviet challenge.

In the end, the Congress appropriated some \$2,700,000,000 for fiscal year 1956, including \$1,700,000,000 for defense support, development assistance, technical assistance, and other programs. It may be observed that, of these funds, some \$113,700,000 was designed for defense support in the Near East and Africa, \$73,000,000 was to go for development assistance in that area, and the general authorization for technical cooperation amounted to \$127,500,000. Other items of interest were the appropriations of \$14,500,000 for the U.N. Children's Fund (UNICEF), some \$62,000,000 for the U.N. Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), and \$100,000,000 for the President's Fund for Asian Economic Development. For all purposes except direct military assistance, approximately \$317,000,000 was allocated to the Near East, South Asia, and Africa during 1955.⁹

Assistance to Greece, Turkey, and Iran

Greece and Turkey had been the subject of special American assistance, designed to strengthen

⁵ *Ibid.*, May 23, 1955, p. 855. See also the Secretary's statement of May 25 before the House Committee on Foreign Affairs, *ibid.*, June 6, 1955, p. 911, and that of Harold E. Stassen before the House Committee on June 8, 1955, *ibid.*, July 4, 1955, p. 29.

⁶ For a summary of the uses to which mutual security funds were put in individual countries during the first half of 1955, see *Report to Congress on the Mutual Security Program for the Six Months Ended June 30, 1955*, H. Doc. 266, 84th Cong., 1st sess., p. 20 (Pakistan), p. 21 (India), p. 22 (Afghanistan and Nepal), p. 25 (Greece and Turkey), p. 26 (Iran), p. 27 (Arab States and Israel), and p. 32 (Africa).

⁷ For text of the agreement with Turkey, which entered into force on June 10, see BULLETIN of July 11, 1955, p. 55. The agreement with Lebanon entered into force on July 18; that with Israel on July 12; Pakistan on Aug. 11; and Greece on Aug. 4, 1955.

⁸ BULLETIN of Jan. 24, 1955, p. 119.

⁹ *Ibid.*, May 2, 1955, p. 711.

their defensive positions and to preserve their political independence and territorial integrity. Despite serious difficulties between Greece and Turkey concerning Cyprus, Greek and Turkish armed forces continued to constitute an essential element in the Western defense system. Both were members of NATO and the Balkan Alliance, and Turkey was a signatory of the Baghdad Pact (1955).

Among the noteworthy undertakings for strengthening the Greek economy was an electric power project, which provided Greece for the first time with a unified electric power generating and grid system, more than doubling the prewar output.¹⁰ It was announced on June 24 that new aid totaling \$19,200,000, partly in the form of a loan, had been made available to Greece to help meet the economic pressures arising from earthquake damage.¹¹

The United States also continued to assist Turkey during 1955. Under an agreement of November 1954, supplemented on April 28, 1955,¹² \$29 million worth of American surplus agricultural products was to be shipped to Turkey, in view of a crop failure and diminished foreign exchange, the effects of which were felt during 1955. In order not to jeopardize either Turkey's military position or its achievements under the program since 1950, the United States agreed in June to increase the defense-support program in fiscal 1955 from \$70 million to \$100 million, the additional \$30 million to assist Turkey during the emergency period and to provide for imports of raw materials, basic commodities, and spare parts for its industrial establishment.

It was announced on January 17, 1956, that, at the request of the United States and the Republic of Turkey, Clarence B. Randall, the eminent industrialist and special consultant to President Eisenhower on foreign economic policy, had agreed to visit Turkey late in January to discuss economic problems of interest to both countries. It was expected that Mr. Randall's visit would greatly contribute to the further development of American-Turkish economic relations and to the

advancement of mutual understanding in this realm.¹³

Although the oil settlement of October 1954 had started the flow of substantial oil revenues to Iran by 1955, financial assistance was still necessary to meet urgent needs. The Foreign Operations Administration (now the International Cooperation Administration), for example, made a loan of \$32 million for defense purposes, government employee payrolls, and other expenses. There was increasing evidence of the success of technical assistance in Iran during 1955. A program for the control of malaria had been launched 4 years before by U.S. health technicians; by 1955, the Iranians themselves were carrying on most of the work. Similarly, U.S. technicians had taught the techniques of livestock crossbreeding to Ministry of Agriculture employees, who in turn were spreading the knowledge to rural areas. A teacher-training program was now being carried out by the Ministry of Education, involving some 12,000 teachers, or about 40 percent of the Iranian teaching staff. There was also progress in the field of public administration, and an Institute of Administrative Affairs was opened at the University of Tehran in January 1955.¹⁴

Assistance to the Middle East

The United States has also engaged in significant development projects in the Middle East. In the case of Egypt, which had initiated a comprehensive 10-year economic development program, for example, the United States made available a total of \$40 million in development assistance during fiscal year 1955, and, in addition, \$2 million was allocated for technical cooperation. The American program stressed, among other things, railway and highway improvement. A loan agreement provided for repayment of \$7 million of the

¹⁰ *Ibid.*, Jan. 30, 1956, p. 171. Since the beginning of 1948 Turkey has received \$463 million in economic assistance from the United States for development assistance related to the upkeep of its armed forces and for technical assistance. During the same period, Turkey has borrowed some \$25 million from the Export-Import Bank and about \$63 million from the International Bank for Reconstruction and Development, while short-term government and commercial debts in Europe were estimated at about \$150 million.

¹¹ Direct American participation in the project ended on July 15, 1955. On June 10 Greece signed an agreement with the United States for defense use of technology, designed to foster the exchange of technology for defense purposes (BULLETIN of July 11, 1955, p. 84).

¹² BULLETIN of July 18, 1955, p. 100.

¹³ *Ibid.*, May 16, 1955, p. 814.

¹⁴ For text of a U.S.-Iranian agreement signed on Feb. 20, 1956, on surplus agricultural commodities, see *Treaties and Other International Acts Series* 3506. On Feb. 26, 1956, the Export-Import Bank signed a \$14 million credit agreement with Iran for railroad improvement.

\$40 million, and, as its share of the cost of the projects, Egypt was to spend the equivalent of \$43 million from its resources.

In addition, the United States, together with the United Kingdom and other countries, was much interested in the project for the construction of the High Aswan Dam on the Nile River, both for hydroelectric and for irrigation purposes, the total cost of which, over a 20-year period, was estimated at some \$1 billion. During a visit to the United States by the Egyptian Minister of Finance, Abdel Moneim El Kaissouni, the problem of the dam was discussed, and on December 17, 1955, it was announced that the United States and the United Kingdom had assured the Egyptian Government of their support of the project, "which would be of inestimable importance in the development of the Egyptian economy and in the improvement of the welfare of the Egyptian people." The assistance was to take the form of grants toward defraying foreign exchange costs of the initial stages of the construction, involving the coffer dam, the foundations for the primary dam, and auxiliary work. Assurance was also given, subject to legislative authority, that the United States and the United Kingdom were prepared "to consider sympathetically in the light of then existing circumstances further support toward financing the later stages to supplement World Bank financing."¹⁵

The problem of assistance to Iraq differed from that of aid to Egypt both because of the former's signature of the Baghdad Pact and because of its oil revenues of about \$140 million a year. However, the United States has assisted in developing Iraqi military potential under the mutual defense agreement of 1954.

The primary key to Iraqi development lies in harnessing the waters of the Tigris-Euphrates river system; construction is now under way on a series of dams. Iraq initiated its second Five-Year Plan on April 1, 1955, and the Iraqi Development Board proposed that the equivalent of some \$800 million be made available from petroleum to finance the program, much of the emphasis of which was on projects to raise living standards. Under the technical cooperation program in Iraq an agricultural college was estab-

lished at Abu Ghraib with the assistance of technicians from the University of Arizona, while the Technical Institute at Baghdad was established with similar assistance from the Bradley Institute of Technology.

With its limited resources and the presence of some 450,000 Arab refugees from Palestine, Jordan continued to be confronted with serious economic problems. During 1955 the United States made \$5 million available to the Jordanian development program, \$3.6 million of it in the form of local currency purchased with pounds sterling generated from the sale of American coal to the United Kingdom. The assistance took the form of road construction, afforestation, and water-spreading activities; some 50 miles of roads were completed, about 5,000 acres of formerly unproductive land were brought under cultivation, and many thousands of new trees were planted. Some \$2,200,000 was provided for technical cooperation, with projects in agriculture, natural resources, health, and education. Nineteen agricultural centers serving 300 villages are now in operation in Jordan. Sound beginnings have been made in education, and about 100 Jordanian trainees in the field of education have been sent abroad.¹⁶

During 1955, a large part of the program in Lebanon was designed to assist in improving the Lebanese road system, in view of its importance to the country's economic development. An agreement in June 1955 provided for \$5,700,000 to help finance construction of a modern highway from Beirut to the Syrian border, connecting with the road to Damascus, one of the important highways in the Middle East. While the Lebanese Government was to pay the major cost, \$5 million of American assistance was to be in the form of a 15-year loan at 3 percent, which the Lebanese Government has not yet taken up. The remaining \$700,000 was to be used to purchase American road-building equipment and to finance an engineering survey by an American firm. Other forms of assistance included provision of \$1.4 million for improved agricultural equipment, the establishment of 30 agricultural extension offices under

¹⁵ On Oct. 30, 1955, the Jordanian Parliament approved an agreement permitting Edwin W. Pauley, an independent American petroleum producer, to explore Jordan for oil. It provided for 50 percent sharing after payment of exploration expenditures and for cancellation after 8 months if oil was not found; all oil wells were to become the exclusive property of Jordan after 55 years.

¹⁶ BULLETIN of Dec. 26, 1955, p. 1050. For the agricultural commodities agreement with Egypt signed Dec. 14, 1955, see *Treaties and Other International Acts Series* 3439.

the guidance of American extension specialists, the establishment of the Lebanon Industry Institute, and the setting up of the National Litani Board for the development of the Litani River.¹⁷

The United States also continued to support the program of assistance to Arab refugees under UNRWA. Some 900,000 refugees were involved, about 300,000 of whom were completely supported by UNRWA in camps, while the rest received both food rations and basic medical services, at an average cost of \$28 per annum.¹⁸ It is partly in connection with the refugee problem that the United States has sought to promote the development of the Jordan River Valley, which would permit the irrigation of some 225,000 acres of land in Lebanon, Syria, Jordan, and Israel and make possible eventual settlement of some 200,000 refugees.

At the same time, the United States continued its assistance to Israel, with special attention to programs for orderly industrial development. The program for 1955 centered on projects designed to make maximum use of local raw materials, without neglecting agriculture.¹⁹ On April 29 an agreement was signed with Israel providing for the sale of \$8.3 million worth of surplus commodities, including 50,000 metric tons of wheat and 40,000 metric tons of feed grains. The Israeli pounds derived from the purchase of these commodities were to be used for various purposes, including American expenditures in Israel; some were to be loaned for the purpose of economic development in Israel.²⁰

Neither Yemen nor Saudi Arabia received economic or technical assistance during 1955 from the United States. By 1954, however, Saudi Arabia was receiving royalties from the Arabian American Oil Company at the rate of about \$260 million annually. As President Eisenhower declared on August 11, 1955, when receiving the credentials of Saudi Arabian Ambassador Sheikh Abdullah al-Khayall, "from the earliest years of our coun-

try, traders, doctors, and educators have gone [to the Middle East] to contribute, through their careers, to the growth and development of the area."²¹

On November 22, it was announced that Yemen had granted a concession to the Yemen Development Corporation, the first oil and mineral concession in the history of the country. The 30-year agreement provided for exclusive exploration and development rights over 40,000 square miles, or the northern two-thirds of the country, with the exception of the narrow coastal strip (Tihana). All net profits were to be divided equally, but the agreement could be voided if commercial quantities either of petroleum or minerals were not found within 6 years.

Assistance in Africa

Among the projects of economic and technical assistance in Africa, examples may be cited from Liberia, Ethiopia, and Libya. Classes began in the new Booker T. Washington Institute in Liberia during August 1955. The project was launched under a contract with Prairie View (Texas) Agricultural and Mechanical College, which provided assistance in improving teaching methods and planning an educational curriculum. A project for demonstrating the techniques of growing swamp rice was completed in 1955, with the results disseminated in many parts of Liberia through an agricultural extension system organized with American assistance.

A joint Ethiopian-American educational commission made a thorough examination of Ethiopian educational needs, through the technical assistance program. The educational program in agriculture and the mechanical arts was already showing results in Ethiopia. The 3-year-old Jimma Agricultural Secondary School and the Handicraft School at Addis Ababa, were financed entirely by the Ethiopian Government, except for the cost of American technicians. In addition, an apprentice trade school was established at Addis Ababa by technicians from the Oklahoma Agricultural and Mechanical College, as part of a program for developing agricultural and mechanical training. On October 3 the Export-Import Bank announced that it would establish a \$24 million credit in Ethiopia's favor for the develop-

¹⁷ It was announced on Mar. 2, 1956, that an Export-Import Bank loan of \$105,000 to Syria would assure the beginning of a program to bring a dependable supply of drinking water to various parts of Syria.

¹⁸ See also U.N. docs. A/2978 and Add. 1, A/2989, A/3057.

¹⁹ Israel also receives large-scale assistance from unofficial sources in the United States. During 1955, for example, some \$42,318,500 was subscribed in Israel bonds, bringing the total sold since 1951 to \$216,594,450.

²⁰ BULLETIN of May 16, 1955, p. 815.

²¹ Department of State press release 486, Aug. 11, 1955 (not printed).

ment of commercial airfields and aviation facilities throughout the country.²²

On presenting his credentials as Ambassador, Sayyid Saddiq Muntasser, on May 6, 1955, noted that the Libyan people had placed much trust in the friendship of the United States and recalled the role which the United States had played during the consideration of the future of Libya in the United Nations. Ambassador Muntasser also noted that the decision to recognize the legitimate right of self-determination had been made on American soil. But independence had not solved all problems, and Libya still counted on the assistance of the United States to overcome some of its difficulties to insure its complete independence in all fields. President Eisenhower replied that he was aware of the complex problems facing Libya and indicated that the United States was "deeply sympathetic" with the efforts which were being made to raise Libyan standards of living.²³

The Libyan-American Reconstruction Commission, with an American as executive director, was established to help supervise American economic assistance. Under a revised technical assistance agreement, projects were being integrated within Libyan government departments to pave the way for Libya to assume greater responsibility for project activities. Preventive and other public health services were introduced by the Libyan-American Joint Service in Public Health.

The International Cooperation Administration announced on August 1 that it would ship 6,800 tons of surplus American wheat to Libya in an emergency move to relieve distress occasioned by a poor grain harvest, and on September 2 a further agreement was signed covering an additional grant of 6,000 tons and bringing to 45,000 tons the total of wheat shipments authorized over a period of some 20 months.²⁴

Assistance in South Asia

In South Asia, where the Soviet Union made considerable propaganda with large offers of assistance during the fall of 1955, the United States

had long been active under the United Nations and its own bilateral programs.

Both military and economic assistance has been rendered to Pakistan, which has taken a firm position on the side of the free world, within the framework both of the Southeast Asia Collective Defense Treaty and the Baghdad Pact. In the 6 years ending on June 30, 1955, the United States provided Pakistan with some \$361,850,000 in economic assistance. Because of its urgent need for assistance, some \$71.8 million—\$20 million on a loan basis—was provided during fiscal year 1955, of which \$40 million was for commodity imports. The program also included \$20 million for defense support, \$5.5 million for flood relief, \$5.3 million for technical assistance projects, and \$1 million for freight costs in ocean transport of surplus agricultural commodities.

The technical assistance program in Pakistan during 1955 included projects directed toward improvement of transportation and industry. Among other things, Pakistan International Airlines and Pan American World Airways signed an agreement in May providing for American technical assistance in expanding Pakistan's air transportation system, and a group of American technicians assisted in this work. American technicians also cooperated in agricultural production, land reclamation, public health, vocational education, and the community development program. The United States assisted in designing a multipurpose hydroelectric dam to be constructed on the Karnafuli River in East Pakistan, electric power from which will stimulate industrial development and also contribute to flood control and irrigation. In May the United States and Pakistan signed an agreement making possible guarantees for private investments in Pakistan, designed to encourage private industry.²⁵

During the latter part of 1955, India was visited by Premier Nikolai Bulganin and Party Secretary Nikita Khrushchev and also received tantalizing offers of Soviet economic and technical as-

²² BULLETIN of Jan. 24, 1955, p. 157, and June 20, 1955, p. 1018. Greece, Israel, and Turkey have signed similar agreements with respect to the protection of private investments.

For a U.S.-Pakistan agreement on mutual security signed Jan. 11, 1955, see *Treaties and Other International Acts Series* 3183; for an agreement on surplus agricultural commodities signed Jan. 18, 1955, see TIAS 3184; for a technical cooperation agreement signed Jan. 18, 1955, see TIAS 3185.

²³ BULLETIN of Oct. 17, 1955, p. 617.

²⁴ Department of State press release 244, May 6, 1955 (not printed).

²⁵ BULLETIN of Aug. 15, 1955, p. 263, and Sept. 12, 1955, p. 427. For a U. S.-Libyan agreement on relief supplies and equipment, see *Treaties and Other International Acts Series* 3480.

sistance.²⁶ The United States, for its part, had long engaged in programs of economic and technical assistance in India. Indeed, since 1951, the United States had provided India with gross assistance totaling more than \$500 million, divided almost equally between grants and loans. In all there were more than 50 joint projects, toward the completion of which India was contributing about \$400 million. In addition, American foundations and voluntary agencies have contributed some \$48 million to various projects in India.

While the problems with regard to India were complicated, results were already evident in a number of fields, involving both agriculture and industry. During fiscal year 1955, the United States allocated \$84.3 million to Indian projects, of which \$45 million was on a loan basis. Of \$69.1 million in development assistance funds made available during 1955, \$30 million was programmed for cotton and wheat purchases in the United States; the rupees acquired by the United States from these purchases were part of the \$45 million loan and were to be utilized for the development of power, river valley projects, and other joint projects.

Technical assistance projects continued to stress community development and increased agricultural production. Contracts were negotiated with five American universities and colleges for technical support to several Indian states and agricultural institutions. A village water supply and sanitation system was inaugurated and attention given to small irrigation projects, soil conservation, and farm management. The University of Tennessee was to assist Indian women's colleges in home economics; the University of Texas was to cooperate in the establishment of teacher-training institutions in the field of secondary education.

There were also other forms of assistance. Up to June 1955, for example, some \$38,875,000 had been earmarked for the purchase of railway rolling stock and locomotives, and early in September 450 freight cars were received under the American aid program. On October 4 the United States and India announced an exchange of notes covering the extension of emergency assistance totaling \$4.7 million in the form of 10,000 tons of wheat

²⁶ India and the Soviet Union had signed a loan agreement on Feb. 2, 1955, for the construction of a 1-million-ton steel plant in central India at a cost of some \$91 million to be completed by 1960.

and 10,000 tons of rice from the stocks of the Commodity Credit Corporation to help relieve victims of flood disaster in northeast India.²⁷ On January 5, 1956, the fourth anniversary of the assistance program in India, a new agreement was signed, providing \$10 million for importation of 100,000 tons of steel and 6,000 tons of DDT for malaria control.²⁸

During the Bulganin-Khrushchev visit to Afghanistan in December 1955, much was made of the announcement of a \$100-million Soviet loan to Afghanistan and of the reaffirmation of Afghanistan's "neutral" policy.²⁹ On the other hand, the United States has endeavored over the years, although on a relatively small scale, to assist Afghanistan in a variety of ways. Through the Export-Import Bank, loans totaling \$39,500,000 were made for the multipurpose Helmand Valley project for irrigation, flood control, and power development. In addition, some \$4 million had been granted in the form of technical assistance.

During 1955 stress continued to be placed on the Helmand River project, and a group of American experts assisted in such technical projects as engineering, agriculture, health and sanitation, community development, and public administration. Moreover, under contract with the Foreign Operations Administration, Columbia University Teachers College sent a group of four specialists to Kabul to assist the Ministry of Education in teacher training and general education. The University of Wyoming sent 23 specialists to assist in technical education and agriculture; helped in the establishment of the Afghanistan Institute of Applied Science, with two subsidiary schools, the Afghan Institute of Technology and the Vocational Agricultural School; and aided the Ministry of Agriculture in research and demonstration. The Near East Foundation, long experienced in such matters, assisted in a project for community development in Afghan villages.

Work in Nepal during 1955 looked primarily

²⁷ BULLETIN of Oct. 17, 1955, p. 617.

²⁸ The steel import brought to 700,000 tons the total which India had obtained from the United States. The first 4 of 100 locomotives arrived at Bombay on Jan. 3, 1956; for an address by Ambassador John Sherman Cooper on that occasion, see BULLETIN of Feb. 6, 1956, p. 205. For text of air transport agreement signed with India on Feb. 3, see *ibid.*, Feb. 13, 1956, p. 264.

²⁹ Since 1954 the Soviet Union had loaned some \$14 million to Afghanistan for road construction, storage tanks, flour mills, etc.

toward reparation of flood devastation, and a project for reclamation in the Rapti Valley, where an area of some 130,000 acres was to be opened for resettlement, was undertaken. The village improvement program involved six development centers, which have trained more than 175 Nepalese to demonstrate more effective use of insecticides, fertilizers, and farm implements. Assistance was also given in the field of public health. The University of Oregon assisted in an educational project, under which more than 100 villagers were trained as teachers to work in schools throughout Nepal. Since 1951 approximately \$6 million in

U.S. aid has gone to Nepal, including \$1.5 million in flood relief.

Export-Import Bank Loans

Even before the inauguration of the American program for technical and economic assistance, the Export-Import Bank of Washington had authorized a number of loans in the Near East, South Asia, and Africa for the economic development of countries in that area. By July 1, 1955, these loans were substantially as shown in the accompanying table.

*Export-Import Bank Loans, 1945-1955*³⁰

Country	Date	Authorized Credit	Purpose
Egypt			
Fertilizer and Chemical Industries of Egypt.	7/16/47	\$7, 250, 000	Construction of fertilizer plant
Egyptian Spinners (Barclays Bank D. C. O.).	5/6/55	60, 000	Textile equipment (Whitin Machine Works)
United Spinning and Weaving Co., S. A. E.	6/13/55	25, 000	Textile equipment (Whitin Machine Works)
Total		\$7, 335, 000	
Greece			
Kingdom of Greece	1/9/46	\$25, 000, 000	U. S. products and services. Some \$10,436,-687.39 cancelled
Kingdom of Greece	6/13/55	300, 000	Crawler tractors with angle-dozers and motor graders
Piraki-Patraiki Industrie de Coton, S. A.	12/16/54	625, 000	Textile machinery
Total		\$25, 925, 000	
Iran			
Government of Iran	11/11/54	\$53, 000, 000	Economic development
Israel			
State of Israel	1/19/49	\$70, 000, 000	Agricultural production
State of Israel	3/9/49	9, 535, 243	Transportation. Some \$544.52 cancelled
State of Israel	3/16/49	25, 000, 000	Housing materials
State of Israel	3/23/49	5, 000, 000	Telecommunications equipment. Some \$1,256.10 cancelled
State of Israel	9/7/49	5, 464, 757	Development of ports
State of Israel	10/26/49	20, 000, 000	
Total		\$135, 000, 000	
Saudi Arabia			
Kingdom of Saudi Arabia	1/3/46	\$25, 000, 000	Raw materials and equipment. Some \$15,000,000 cancelled
Kingdom of Saudi Arabia	7/20/50	15, 000, 000	Public works and development projects. Some \$10,232,483.60 cancelled
Total		\$40, 000, 000	
Turkey			
Sumer Bank (Republic of Turkey) . . .	10/13/48	\$417, 584. 33	(International General Electric Co.)
Republic of Turkey	1/26/46	431, 263. 64	State seaways and harbors
Etibank (Republic of Turkey)	3/16/49	104, 000	Ingersoll Rand Co.
Republic of Turkey	5/25/49	3, 750, 000	State railways. Some \$37,155.58 cancelled

³⁰ Export-Import Bank of Washington, *Twentieth Semiannual Report to Congress for the Period January-June 1955*, appendix C. Loans in Africa as a whole totaled \$198,669,661.60 and in Asia \$632,676,462.89.

Export-Import Bank Loans, 1945-1955—Continued

Country	Date	Authorized Credit	Purpose
Turkey—Continued			
Republic of Turkey	5/25/49	\$4, 250, 000	State seaways and harbors
Republic of Turkey	11/19/54	500, 000	State seaways and harbors
Republic of Turkey	8/31/49	999, 524. 92	U.S. rails and accessories
Etibank (Republic of Turkey)	9/28/49	500, 000	Earth-moving equipment
Etibank (Republic of Turkey)	3/17/55	785, 000	Materials, equipment and service for coal washing plant (McNally Pittsburg Mfg. Corp.)
Republic of Turkey	11/26/47	8, 000, 000	Reconversion of vessels. Some \$819.74 cancelled
Republic of Turkey	11/4/54	4, 235, 000	Equipment, storage and handling of grain (Colombian Steel Tank Co.)
Cukurova Itholat ve Ithracat, T. A. O.	1/6/55	1, 020, 000	Spare parts for tractors (Caterpillar Tractor Co.). Some \$1,020,000 cancelled
Total		\$24, 992, 372. 89	
Afghanistan			
Royal Government of Afghanistan.	11/23/49	\$21, 000, 000	Construction of dam and canal
Royal Government of Afghanistan.	4/29/54	18, 500, 000	Helmand River Valley Development
Total		\$39, 500, 000	
Ethiopia			
Ethiopian Empire.	6/22/50	\$1, 000, 000	Aircraft and spare parts. Some \$27,731.82 cancelled
Ethiopian Empire.	7/10/46	2, 000, 000	Communication equipment and industrial machinery. Some \$250,027.57 cancelled
Total		\$3, 000, 000	
Liberia			
Republic of Liberia	1/11/51	\$5, 000, 000	Highway improvement and construction
Republic of Liberia	6/14/51	1, 350, 000	Water supply and sewerage system
Republic of Liberia	1/20/55	15, 000, 000	Highway construction projects
Total		\$21, 350, 000	

U.S. Support for U.N. Assistance Programs

The United States continued during 1955 to contribute in major degree to United Nations programs of technical assistance, many of which were concentrated in the Near East, South Asia, and Africa.³¹ It also maintained its contributions to various United Nations agencies such as the Food and Agriculture Organization (Fao), World Health Organization (Who), United Nations Educational, Scientific and Cultural Organization (UNESCO), and UNICEF which have given basic assistance to underdeveloped areas in a wide variety of ways.³²

The United States on December 5, 1955, completed the action required for membership in the International Finance Corporation, established

under Resolution 823 (IX) of the General Assembly.³³ This country, as in the past, made a large contribution to the International Bank for Reconstruction and Development, which assisted

³¹ In general see U.N. docs. A/2943: *Report of the Economic and Social Council covering the period from 7 August 1954 to 5 August 1955, passim*; E/2740 (ST/ECA/32): *Economic Developments in the Middle East, 1945-1954, passim*; ST/TAA/SER.C/21: *Fourth United Nations Social Welfare Seminar for Arab States in the Middle East* (Baghdad, 6-21 March 1954); ST/TAA/K/Israel/4: *United Nations Technical Assistance Programme, Revenue Administration and Policy in Israel* (Second Report); *Seeds of Progress: Stories of Technical Assistance* (1955); E/CN.5/303/Rev. 1/ST/SCA/26: *Social Progress Through Community Development* (1955).

³² BULLETIN of Jan. 9, 1956, p. 54. The charter of the International Finance Corporation requires a subscription of \$75,000,000 before the corporation can come into being; by Jan. 10, 1956, \$58,761,000 had been subscribed. Egypt was the first Middle Eastern country to complete action for membership (Dec. 18, 1955).

³³ See *U.S. Participation in the U.N.: Report by the President to the Congress for the Year 1954* (Department of State publication 5769), pp. 235-39, for tables of contributions.

in a number of development programs in the Near East, South Asia, and Africa. By June 30, 1955, out of an authorized capital of \$10,000,000,000, some \$9,028,000,000 had been subscribed.³⁴ The United States had subscribed \$635,000,000, with 31,750 shares in the amount of \$3,175,000,000. By

³⁴ Afghanistan and Israel became members of the IBRD during 1955.

September 30, 1955, effective loans reached \$1,837,262,494, of which \$317,310,000, as illustrated in the table below, were for development purposes in the Near East, South Asia, and Africa. A development survey was completed in Syria during 1955 and one was organized in Jordan.³⁵

³⁵ See also U.N. docs. A/2906 and A/3065 for material on the proposed Special United Nations Fund for Economic Development.

*Loans of the International Bank for Reconstruction and Development, 1949-1955*³⁶

Country	Date	Original Amount	Purpose
Ceylon	7/9/54	\$19, 110, 000	Electrical power development
India	8/18/49	34, 000, 000	Railway rehabilitation. Some \$1,200,000 cancelled or refunded
	9/29/49	10, 000, 000	Agricultural development. Some \$2,796,187 cancelled or refunded
	4/18/50	18, 500, 000	Electric power development. Some \$690,000 cancelled or refunded
	1/23/53	19, 500, 000	Electric power development, flood control and irrigation. Some \$9,000,000 cancelled or refunded
India (Guarantor)			
Indian Iron & Steel Company.	12/18/52	31, 500, 000	Expansion of iron and steel production facilities
Tata Hydro, Andhra and Tata Power Companies	11/19/54	16, 200, 000	Electric power development
India (Guarantor)			
Industrial Credit and Investment Corp. of India	3/14/55	10, 000, 000	Foreign exchange for development of private industry
Iraq	6/15/50	12, 800, 000	Construction of a flood control project. Some \$6, 506, 054 cancelled or refunded
Lebanon (Guarantor)			
Litani River Authority	8/25/55	27, 000, 000	Electric power development and irrigation
Pakistan (Guarantor)			
Sui Gas Transmission Co	6/2/54	14, 000, 000	Construction of natural gas transmission line
Karachi Electric Supply Corporation, Ltd.	6/20/55	13, 800, 000	Electric power development
Karnaphuli Paper Mills, Ltd	8/4/55	4, 200, 000	Construction of paper and pulp mill
Trustees of the Port of Karachi	8/4/55	14, 800, 000	Port construction and development
Turkey	7/7/50	3, 900, 000	Construction of grain storage facilities
First Tranche	7/7/50	12, 500, 000	Port construction and development
Second Tranche	2/26/54	3, 800, 000	Port construction and development
	6/18/52	25, 200, 000	Electric power development, irrigation and flood control. Some \$2,356,000 cancelled or refunded
Turkey (Guarantor)			
Industrial Development Bank of Turkey .	10/19/50	9, 000, 000	Foreign exchange for development of private industry
Industrial Development Bank of Turkey .	9/10/53	9, 000, 000	Foreign exchange for development of private industry
Ethiopia	9/13/50	5, 000, 000	Highway rehabilitation
	9/13/50	2, 000, 000	Foreign exchange for Development Bank
	2/19/51	1, 500, 000	Rehabilitation and extension of telephone and telegraph systems
Total		\$317, 310, 000	

³⁶ International Bank for Reconstruction and Development, *Tenth Annual Report 1954-1955*, appendix F. See also International Bank for Reconstruction and Development press release 427 (Nov. 3, 1955), Financial Statements for First Quarter ending September 30, 1955. In addition to the above, the IBRD on Aug. 26, 1955, made a loan of \$10 million for electric power in Algeria and on Mar. 5, 1956, announced that it was sending a survey mission to the Trust Territory of Somaliland.

Reflections of United States Policy

That the United States continued to look upon the problems of stability and security in the Near East, South Asia, and Africa from a broadly based point of view, and that it was prepared to meet the new challenges which had arisen, was indicated by a number of developments toward the end of 1955 and the beginning of 1956. The American attitude was reflected in the unanimous view of the United States delegation to the Tenth Session of the General Assembly of the United Nations that economic and social questions were "assuming increasing importance on the international scene" and had moved to the forefront in "the struggle between Communism and freedom," particularly since the Soviet Union was using "economic and social collaboration as a means for jumping military as well as political barriers," as in India, Egypt, and Burma, for example. The delegation believed that the United States should counter the Soviet efforts, not by outbidding it in sheer amounts of economic assistance but "by making newly independent and newly articulate peoples feel that they can best satisfy their wants by becoming and remaining part of the community of free nations." The delegation warned that the United States was "in a contest in the field of economic development of underdeveloped countries which is bitterly competitive" and that defeat in this contest "could be as disastrous as defeat in an armaments race."³⁷

President Eisenhower and Secretary Dulles endorsed these views. Mr. Dulles had already declared, on December 20, that the United States sought no monopoly in the field of economic assistance and welcomed "any grant of economic aid" which invigorated less developed countries and made them more independent, as had been the aim of American policy since the Second World War. Not one country had "lost any particle of freedom or independence" as a result of American assistance. Mr. Dulles hoped that Soviet assistance was "not offered as a Trojan horse to penetrate, and then take over, independent countries"; he felt that the experienced statesmen of the areas concerned were well aware of the dangers.³⁸

President Eisenhower sounded a similar note in his state of the Union message on January 5, 1956, declaring that the mutual security program must be sustained and fortified and noting that "because the conditions of poverty and unrest in less de-

veloped areas make their people a special target of international communism, there is a need to help them achieve the economic growth and stability necessary to preserve their independence against Communist threats and enticements."³⁹

THE OUTLOOK IN UNITED STATES POLICY

Such were the major developments in United States policy during 1955. As the year drew to a close and another dawned, it was clear that the problems were as manifold, complex, and persistent as they had been in the past and that there were no simple or easy solutions to any of them. There was a recognition of the basic elements in the situation in the discussions between Prime Minister Eden and President Eisenhower, January 30 to February 1, 1956, in which the problems of the Near East, South Asia, and Africa were both broadly and specifically discussed.

It was agreed that every effort should be made to reduce the sources of misunderstanding between the Middle Eastern nations, whose peoples should be helped to achieve "their legitimate aspirations." Similarly, an Arab-Israel settlement was considered urgent, but possible only if both sides were "willing to reconcile the positions" hitherto taken. The United States and the United Kingdom reiterated their willingness to contribute to a settlement through financial assistance on the Arab refugee problem and guarantees of "agreed frontiers," reaffirmed the Tripartite Declaration of May 25, 1950, and announced arrangements for discussions, with French participation, as to "the nature of the action" to be taken in the event of violence. It was also clear that security in the Middle East could not rest upon arms alone but must be based on the establishment of good neighborly relations. Soviet policy in arms supplies to Middle Eastern countries was viewed as adding to

³⁷ BULLETIN of Jan. 23, 1956, p. 117.

³⁸ For transcripts of the Secretary's news conferences of Dec. 20, 1955, and Jan. 11, 1956, see *ibid.*, Jan. 2, 1956, p. 8, and Jan. 23, 1956, p. 118. Mr. Dulles indicated that mutual security requests for the next fiscal year would total about \$4,900,000,000, of which about \$1,900,000,000 would be for the economic part of the program. See also the transcript of the Secretary's press conference of Jan. 17, 1956, *ibid.*, Jan. 30, 1956, p. 155.

³⁹ *Ibid.*, Jan. 16, 1956, p. 79. See also excerpts from the President's budget message, *ibid.*, Jan. 30, 1956, p. 147, and his message transmitting the 1957 mutual security program, *ibid.*, Apr. 2, 1956, p. 545.

the tensions and increasing the risk of war—a risk which the United States and the United Kingdom desired to mitigate. In that interest they fully supported the U.N. Truce Supervision Organization and were ready favorably to consider “recommendations for any necessary enlargement . . . and improvement of its capabilities.” They were also agreed concerning the significance of the Baghdad Pact, and the United States indicated that it would “continue to give solid support to the purposes . . . of the Pact” and that its observers would “play a constructive part in the work of its committees.” The belief was expressed that difficulties in Arabia and the region of the Persian Gulf could be solved through “friendly discussions.”

The Declaration of Washington, which emanated from these discussions, reaffirmed the goal of self-government and independence of “all countries whose people desire and are capable of sustaining an independent existence” and noted that, in striking contrast to the Soviet record in Eastern Europe and Central Asia, 600 million people “in nearly a score of lands” had attained nationhood since World War II with American and British assistance and that many more millions were “being helped surely and steadily toward self-government.” Since political independence alone was insufficient, the need for technical and economic assistance was recognized, and it was stressed, again in contrast to Soviet aggrandizement, that the United Kingdom and the United States had “not sought nor desired extension of either economic or political power.” It was also pointed out that Soviet aims had not changed, that “military and political force” had been used in the past, and that now “economic inducements” had been added to the “methods of penetration.” There were a warning lest underdeveloped nations lose their independence through “threat, promise or enticement” and a notice that some 50 nations which cherished their freedom had “drawn together in voluntary associations for their collective security.”⁴⁰

⁴⁰ For texts of communique and Declaration, see *ibid.*, Feb. 13, 1956, p. 231.

The policy of the United States was reconfirmed both generally and specifically on a number of occasions in the period immediately following the Anglo-American discussions, whether with regard to North Africa, Middle East security and the shipment of arms, South Asia, the Soviet challenge in the area, or the problems of economic development. Secretary Dulles suggested to the Senate Foreign Relations Committee on February 24, 1956, that Israel's security could be better assured, in the long run, through measures—including reliance on the United Nations—other than the acquisition of additional arms in circumstances which might “exacerbate the situation.” He did not exclude the possibility, however, of arms shipments, either to Israel or to the Arab States, at a time when it would “preserve the peace.”⁴¹

President Eisenhower reiterated this position at his news conferences on March 7 and 15, emphasizing that the United States was trying to avoid the initiation of an arms race in the Middle East, stressing the need for action under the United Nations and for the avoidance of incidents, and noting continued adherence to the Tripartite Declaration of May 1950. At the same time, the President indicated that the conflict between the Communist and the free worlds was now undergoing a “very great broadening” into the economic and political fields, a very serious development which demanded “flexibility” in the American foreign assistance program.⁴²

⁴¹ *Ibid.*, Mar. 5, 1956, p. 368. See also the Secretary's statements of Feb. 7, *ibid.*, Feb. 20, 1956, p. 279, and of Feb. 28, *ibid.*, Mar. 12, 1956, p. 409. See also the correspondence of Secretary Dulles with certain members of Congress, *ibid.*, Feb. 20, 1956, p. 285. For the Department's statement of Feb. 18, concerning the shipment of 18 tanks to Saudi Arabia under the Mutual Defense Assistance Act of 1949 and the Mutual Security Act of 1954, see *ibid.*, Feb. 27, 1956, p. 325.

⁴² See also Southeast Asia Treaty Organization, “First Annual Report of the Council Representatives, March 1956,” *ibid.*, Mar. 12, 1956, p. 403, and the final communique of the SEATO Council meeting at Karachi, Mar. 8, 1956, *ibid.*, Mar. 19, 1956, p. 447.

An Outline of the Mutual Security Program for 1957

Statement by John B. Hollister

Director, International Cooperation Administration¹

I am glad, Mr. Chairman, to have the opportunity to appear before you in support of the President's request for authority for funds to carry out the mutual security program in fiscal year 1957. This request, as the President has indicated in his message,² is for the national defense and for a program which is a vital part of the foreign policy of the United States.

As you know, I became Director of the International Cooperation Administration in June 1955. Full realization of the scope of the mutual security program in all its aspects has come only by 8 months' experience in day-to-day operations and by visiting each of the principal regions in which the program is carried out in cooperation with our foreign allies and friends. I have held regional meetings with the chiefs of our missions in Europe, the Near East and Africa, and in Latin America. I have personally visited each Far Eastern country in which we carry on a mission and have seen some of the work being conducted in representative nations in other parts of the world. Altogether, I have visited personally 17 of the 50 countries where the Ica has missions.

These meetings and visits were essential to a proper understanding of what this Government was trying to do in various parts of the world, and it has given me a basis for appreciating the many problems which confront us. I am glad that a number of members of this committee, since the Congress adjourned last summer and in prior years, have been able to see some of the mutual security programs in actual operation, for I am sure that such firsthand observation is a great help to understanding the need of the assistance and the problems that beset us in furnishing it.

The mutual security program is a large global operation. No industrial company in the United States spends anywhere near as much to deliver as many varied items and services in as many different places abroad.

Administrative Setup

The program, as this committee well knows, is both military and nonmilitary. In this program, the Director of Ica performs two distinct roles. One of these is as head of a semiautonomous *operating* agency within the State Department. This agency is charged with the development and execution of most of the nonmilitary aspects of the program. With respect to the nonmilitary phases of the mutual security program, Ica administers the operations through a planning and administrative staff in Washington and through several thousand representatives in the field.

The other role of the Director is that of coordinator of the whole program. This is not by virtue of his position as head of Ica but by special delegation of the Secretary of State. Under this delegation it is the duty of the Director of Ica to coordinate all elements of the mutual security program. In all foreign policy matters, I take guidance from the Secretary of State.

The Director in his coordinating activities must see that the whole problem in each country is examined and is taken into account and that the program in all of its aspects—policy, economic, and military—is properly designed to accomplish the objectives of the program. Accordingly, in presenting our requests for funds for your consideration, we will try to describe fully to you the problems of each region and country as a whole, in all its aspects. We will plan to have here at all times (1) a representative of the State Depart-

¹ Made before the House Committee on Foreign Affairs on Mar. 20.

² BULLETIN of Apr. 2, 1956, p. 545.

ment for the region under discussion who can answer your questions on foreign policy; (2) a representative of the Department of Defense who can inform you about the military situation and program; and (3) a regional representative of ICA to explain the economic and nonmilitary programs.

Program To Meet All Aspects of Problem

We feel that the program should be viewed as a whole, as a balanced effort to meet the Communist challenge for world domination which today threatens the peace and security of the United States and the rest of the free world. This challenge has existed since World War II and now for nearly a decade has been the major problem confronting the United States, to which many other problems of our Government are related in one way or another.

In meeting the Communist threat affirmatively, we must recognize that the threat itself will continue to have many different aspects despite the Soviet tactics of shifting from time to time the emphasis from one form of offensive to another. In the period 1947 to 1953 the Soviets aroused well-founded fears of armed aggression through all the free world. Today, although their primary effort appears to be economic, there is no indication that the war preparations have ceased. There can, therefore, be no relaxation in our own military effort, nor in those of our allies, nor in our support of those allies. At the same time we must go forward with our own foreign economic aid program, the success of which will be the best answer to the new Soviet economic activities.

The total program (to be met out of new appropriated funds) presented for fiscal year 1957 is \$4.86 billion. Of this, \$3 billion is for military assistance. The balance of \$1,860 million is nonmilitary, although much of it directly supports military effort.

I refer you to a chart which shows the approximate distribution of the fiscal year 1957 program by function. The military assistance funds (\$3 billion) will go for administration and expenditure to the Department of Defense. The items for defense support, development assistance, and technical cooperation will be allotted for administration and expenditure by the International Cooperation Administration.

Military assistance now includes what was for-

merly called direct-forces support—that is, the furnishing of consumable supplies, services, commodities, etc., to allies' military forces, as well as the provision of equipment, weapons, and training.

Defense support is furnished to certain countries eligible for military assistance. It is the name which, as a result of previous congressional history, is applied to all forms of nonmilitary assistance (except technical cooperation) in countries where there is a substantial military assistance program. It includes aid for civilian-type projects and activities which directly support the military program of the country (for example, highways, ports, communications) and also more general assistance which makes it possible for a country to maintain agreed force levels without seriously adverse economic or political consequences. At the same time, defense support is designed to contribute to building up the recipient country's internal strength, making possible progress toward improved living standards.

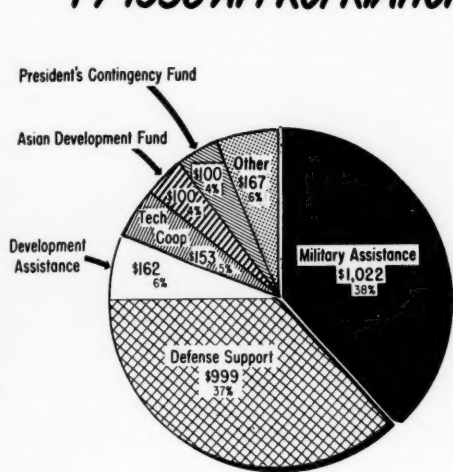
Development assistance is the term generally used to define all forms of aid, except technical cooperation, which are furnished in countries where we have no substantial military aid program. It is furnished to certain countries with which we have no military agreements to promote their economic development.

Technical cooperation consists of programs for sharing technical knowledge and skills with less developed countries. These programs are carried on through direct arrangements between the United States Government and individual governments usually referred to as "host" governments, as well as through the United Nations and through the Organization of American States. Under the technical cooperation programs, technicians and experts are sent from the United States to work overseas with host government officials and to help host governments develop their own technical resources for economic and social development. Our technicians are supported, when necessary, by supplies and equipment sent from the United States for demonstration purposes. Foreign nationals are also brought to the United States (or other countries) for training or advanced study in technical specialties. This technical exchange program is operative equally in countries which are eligible for military aid and those which are not. Much of it is carried on through contracts with American universities

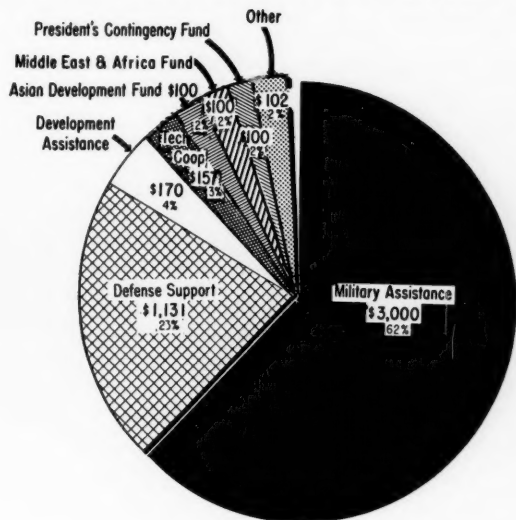
MUTUAL SECURITY PROGRAMS BY FUNCTION

FY 1956 APPROPRIATIONS

FY '57 APPROPRIATION REQUEST



\$2,703 MILLION



\$4,860 MILLION

NOTE: The figure of \$4,860 million for the 1957 appropriation request excludes programs of \$105 million to be financed from reappropriations or funds remaining available in 1957.

under which technicians and specialists are supplied. All of it is on a joint basis.

There are some further circumstances which should be mentioned in this connection, as failure to understand them may lead to confusion about the total of the figures just mentioned. In addition to the new funds requested for appropriation, we expect to have on hand on June 30, 1956, an unobligated balance of \$45 million in the Palestine Refugee Fund, which we ask be carried over. We estimate that there will be an unobligated balance in the Asian fund of about \$60 million, which is available for 2 more years. We expect that this sum will be programed and wholly obligated in fiscal year 1957.

The Military Program

For the description and details of the purely military part of the program, you will hear from representatives of the Department of Defense. However, as coordinator of the mutual security program, there are some aspects of that program on which I wish to comment.

1. The military program has been developed

country by country, with careful consideration of the entire situation in each region and country.

(a) In determining the military assistance to be furnished to a country, we have tried to consider all aspects of that country's status, including the nature of the risks and dangers to the country itself and the relationship of such risks and dangers to the security position of the free world.

(b) We have considered what nonmilitary projects are necessary to give direct support to the military effort.

(c) We have considered the capacity of the country to produce internally or to procure elsewhere and pay for equipment which it needs.

(d) Equally, if a country cannot, without either injury to its economy or outside aid, maintain agreed forces and adequate political stability important to the security of the United States and the free world, we must frame our nonmilitary programs in a way which helps to make possible the maintenance of the desired defense strength.

(e) We must give attention to the very practical consideration which exists in many coun-

tries—What is the maximum defense expenditure which the country can make without endangering the economic health and progress of the country? In countries with low per capita incomes, this is important because the peoples of the less developed countries have reasonable aspirations for better conditions which should be satisfied as fully as practicable if the countries are to remain stable components of the free world.

(f) The military-assistance program in each country, and action in carrying out the programs of prior years, must be related closely to the current U.S. foreign policy with reference to that country and to developments in the general world situation.

We have met with great cooperation from all the agencies involved in trying to tie all aspects of the program together.

2. The military program has a new aspect this year—the commencement of a major effort to equip the forces of our allies with very advanced weapons. This will involve the provision of about \$530 million worth of advanced weapons for those countries receiving military assistance who can use them effectively in defense of the free world.

A portion of the funds for these advanced weapons has already been earmarked for NATO countries in the illustrative fiscal year 1957 program. The balance has not been distributed in such specific fashion but will be allocated after further study of their most useful and effective employment.

While the problems of each country are different, it is more convenient to discuss them in regional categories, which is the historical method of treatment.

Europe: NATO

Our earliest mutual security problems in the period following World War II were encountered in Europe. The Marshall plan, inaugurated in 1947, helped put Europe on the road to economic recovery, and that recovery continues. At the same time the military forces of the NATO countries have been strengthened rapidly.

The aid request for NATO countries (excluding Greece and Turkey) in fiscal year 1957 is almost entirely military. For the second successive year no defense support or related aid, with the exception of a small amount for technical exchange, is being requested for any of these countries.

The need for military assistance is based primarily on two main considerations.

The first consideration is *strategic*. The security of Western Europe is vital to the security of the United States. Western Europe is a first line of our defense, and our divisions stationed there are testimony to this fact. Western Europe has the largest reserve of skilled manpower and, next to the United States, the greatest industrial potential in the world. It has a large pool of trained forces under arms. Its air and naval bases are vital to the defense of this country.

The second consideration is *economic*. Notwithstanding Western Europe's economic improvement, the heavy expense of creating and maintaining an adequate defense in the area imposes a severe strain on the resources of many of the NATO countries. The high cost of advanced weapons, coupled with the annual recurring costs of maintaining the defense establishment already built up, therefore, make the continuation of some United States military assistance to them desirable. Without this assistance, the effectiveness of their forces would not be maintained. Equipment would deteriorate and fall into disrepair for lack of spare parts, or become obsolescent.

In their own defense expenditures NATO countries have continued at a high level despite the fact United States economic aid to these countries has ceased.

The expenditures which the European countries are now undertaking for their own defense are very substantial indeed. The total outlay for European defense establishments from 1949 to 1955 amounts to about \$72 billion. Of this total, about \$10 billion is represented by United States aid. In other words, the NATO countries are footing the bill for about 85 percent of their total defense expenditures. Moreover, since troop pay in Europe is very much lower than in the United States, the human and material resources actually devoted to defense by the Europeans are substantially larger than these figures would indicate, by our yardstick. Likewise, the forces actually maintained through this expenditure are significantly larger than those that we could maintain for the same expenditure.

In the coming fiscal year, of the military assistance proposed for Western Europe, the greater part will go to the NATO countries. This will be increased by the amount of any of the unallocated reserve of advanced weapons which may be as-

signed for use by NATO forces. In the light of all the circumstances, including the advantage to the free world of maintaining force strength and quality of equipment, the help proposed to the European nations in NATO is not disproportionate to the benefit to us as a nation, nor does the European effort as a whole represent less than a reasonable share of the common defense effort.

Although no defense support or economic aid as such is proposed for these countries in fiscal year 1957, we are requesting \$1½ million for support of the European Productivity Agency, an arm of the OEEC [Organization for European Economic Cooperation]. Through this agency, the OEEC countries are working together to adapt and apply the best American and European technical experience to the development of more dynamic economies in Europe, thereby strengthening the economic base for Western defense.

West Berlin, Spain, Yugoslavia

The second group of European countries with which we are concerned comprises West Berlin, Spain, and Yugoslavia. All three of these lie, politically and geographically speaking, on the periphery of Western Europe. They are not members of NATO and OEEC although Spain and Yugoslavia are observers in the latter organization. Spain and Yugoslavia have not benefited as fully from the European recovery as the other countries, and their standards of living are appreciably below those of other European areas. Yet each of these countries is making a substantial contribution to the military, political, or psychological defense of the West, and each is joined with us in strong mutual security interest.

Spain is cooperating with us in the construction of important air and naval bases;

Yugoslavia, despite a common frontier with four Iron Curtain countries, continues to set an important example by guarding its independence from Soviet domination, and is a member of the Balkan Pact with Greece and Turkey—both NATO members, though generally considered “Near East” countries;

West Berlin stands as an outpost of the free world—a symbol of freedom far behind the Iron Curtain.

These are the three special situations for which defense support and related assistance is proposed. Along with the \$1½ million for the European Productivity Agency, the nonmilitary aid pro-

posed comes to \$90 million. This is a slight reduction from funds available for similar programs for fiscal year 1956 and a reduction of more than 50 percent from similar programs for fiscal year 1955.

Middle East, Africa, and Asia

Turning from Europe to the Middle East, Africa, and Asia, the situation becomes much more complex and much more varied. In these areas we have a large number of new nations, some of them recently emerged from colonial status. In most of these countries the levels of living standards, annual gross national product, industrial capacity, and per capita income are low in comparison to the more prosperous parts of the free world.

Some of these nations, such as Korea, Laos, Viet-Nam, Cambodia, and Taiwan, have recently suffered from the effects of war or are faced by large Communist forces at their borders, or both. There is great need for many of them to maintain substantial defense forces. This poses an economic problem of substantial proportions, for the military expenditure in many cases is totally beyond their resources. Nevertheless, they and the free world need this military effort so that they can remain free of external aggression and can put down armed internal subversion.

Many of these allies of ours, and also other nations of the free world not receiving military assistance, are faced with internal economic problems which would confront them even if they made no military effort. Their peoples, with unsatisfactory living conditions, are aspiring to a level above an austere subsistence standard. They look to their leaders for a degree of economic progress which is beyond their powers to achieve unassisted. We thus must face the problem of nonmilitary assistance of an economic character:

(a) To maintain the defense efforts of our less prosperous allies at desired levels, and

(b) To assist some of our allies, and also various less developed, uncommitted free nations, to strike at those conditions of poverty, disease, and low living standards which tend to create unrest and instability and which, if not improved, can lead to disorder or collapse which would threaten world peace.

Our allies want to be strong. If they are to be strong, we cannot see them bowed by an unbearable defense burden beyond their capacities and

unable to meet the reasonable aspirations of their peoples for progress.

In the case of uncommitted nations, we achieve an important objective in the interests of the security of the United States and the free world if we can succeed in helping them to make the progress which will keep alive their desire for independence as responsible and developing members of the free world. We have no desire to impose our way of life upon them. Our sole purpose is to help them to develop the internal economic conditions in which free institutions can prosper. We hope to keep them from throwing their weight into the balance against the free world and on the side of communism.

The problem has been greatly complicated by the increased economic activities of the Soviet bloc in relation to the free nations. Communist offers of economic, military, and technical help have a strong appeal for nations which need assistance badly, and we, therefore, must expect many of these offers, where they are sufficiently attractive, to be accepted. Such acceptance involves dangers as well as material benefits. It increases the op-

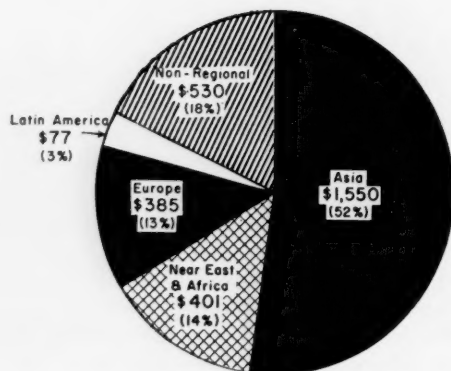
portunities for Communist penetration; it frequently places the Soviet Union in a falsely favorable light; it may tie the recipient unduly to the Communist bloc; it will be capitalized upon by the Communists to proclaim their unselfish interest in the economic welfare of others.

We must take this danger with the utmost of seriousness. Some of the peoples throughout the Middle East and Asia are all too likely to accept the Communist propaganda line, which puts the blame on free-world nations for the existence of obstacles between present hard economic realities and their own economic aspirations. For many leaders in the region, the first direct contact with the Soviet Government itself has been with the new 1956 model of Soviet "traveling salesman" diplomat who smilingly and seductively offers on easy terms the capital and technical and military help they desire. These Soviet offers have included arms to Egypt, Afghanistan, and other countries and machinery, food, industrial plants, and technicians to many other countries around the world. While we have no intention of competing with the U.S.S.R., offer by offer—for to

TOTAL MUTUAL SECURITY PROGRAM BY REGION

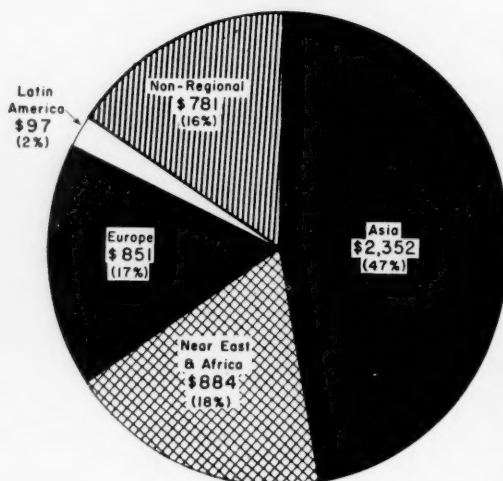
(MILITARY AND NON-MILITARY COMBINED)

FY 1956



\$2,943 MILLION

FY 1957



\$4,965 MILLION

NOTE: The figure of \$2,943 million for fiscal 1956 includes programs of \$240 million financed from reappropriation of funds. The figure of \$4,965 for fiscal 1957 includes programs of \$105 million to be financed from reappropriations or funds remaining available in 1957.

do so would be to abandon independence and judgment—yet we must take account of the new approach which Soviet tyranny has adopted to court the Moslem, Asiatic, and African worlds.

Our policy, I believe, should be to continue to support projects and programs which, in the light of our best judgment and experience, contribute to freedom and sound development in these areas. We should not be stampeded into proposing projects beyond the capacity and energies of any nation—for, unlike the Soviets, we care about their future and will not deliberately entice a nation into the quicksands of overexpansion or inflation. We must recognize that pressing human misery has made many a nation nearsighted to the human tragedy of the concentration camps, slave labor, and brutal rigidity that lies back of the Soviet offers of arms and aid and Soviet methods of obtaining industrial advances. We must understand that responsible leaders in the newly developing region, no matter how moderate or how pro-free-world they may be themselves, must make substantial deliveries on programs of development in order to continue as leaders in their nations. Our program must recognize such circumstances. It in fact does so by helping to provide the kind of aid needed to carry forward sound development programs at a rate and in a volume adapted to the capacity of countries to maintain effectively, and in terms of the economic and political circumstances that these countries, their peoples, and their leaders face.

Before discussing the various countries of the Middle East, Africa, and Asia in more detail, I want to make two points which affect our programs in these areas.

1. *Great flexibility of action* on the part of the United States is needed to meet situations as they arise.

These areas are in a volatile stage of development and change. New problems are arising daily, and old problems are constantly taking on new aspects. We should be in a position to take prompt action to deal with those situations where assistance is wise, before others, hostile to free-world objectives, exploit them dangerously.

2. Some of these problems are *long-range*. To be most effective, we should be in a position to make reasonable nonmilitary commitments extending beyond the span of a single fiscal year. The President mentioned this problem in his message, and I shall discuss it later.

MIDDLE EAST AND AFRICA

I turn now to the situation in the Middle East and Africa in greater detail. As examples of some of our problems, let me mention a few individual situations.

Turkey's assumption of an extraordinarily large military burden—she is presently contributing a substantial part of the ground forces of NATO—merits our continued support. The combination of the demands of the defense establishment and the costs of accelerated development has brought about serious economic strain. The Government of Turkey has recently announced a stabilization program containing those elements of economic reform which can contribute to financial balance if properly carried out.

The oil of *Iran* is beginning to add substantially to that country's capital development, but in the next year or so Iran will still need help in meeting the heavy costs of government that are occasioned by large military expenditures and the needs for development.

We support the *Egyptian* Government's determination to build a better life for her people. To bring fruition to their strivings for the common decencies of life, Egyptians need aid to provide long-range buildup of their resources, such as the High Aswan Dam will accomplish. At the same time, Egypt must satisfy immediate needs so that there will be a "long-range" future with which we can cooperate. Our relationship with this great Moslem state depends on our understanding of both future and present economic requirements in connection with which Egypt needs external help.

In the *Arab States* and in *Israel*, we hope that our programs, which are designed to accelerate desperately needed economic development and to provide a partial answer to the pitiful plight of the refugees from Israel, will also help in the solution of the bitter controversies that now plague the whole Near East. We are prepared to support any programs or projects that hold real promise of constructive progress on these problems, including broad support for regional projects that will harness the energy and equitably distribute the waters of the Jordan River or facilitate the resettlement of refugees.

MIDDLE EAST AND AFRICA FUND

Three factors in particular create a special need for the capacity for flexible action on the economic

front in the Middle East and Africa. The *first* is the increased Soviet activity in the area. The *second* factor is a past pattern, which there is every likelihood will continue to repeat itself in the future, of frequent and sudden economic crises in certain countries of the region. The *third* consideration is the fact that many of the major problems of the region with which our aid programs must deal are of a kind which concern two or more countries. This means, when given the sensitive political issues involved in the relationships among some of these countries, that the exact timing and character of the eventual solutions to these problems cannot be accurately forecast, nor the precise manner in which our aid can contribute.

We need to have available a fund which is not programed in detail, far in advance and country by country. This should be available during the coming fiscal year for carrying out major country and regional projects which seem of particular importance in solving economic problems and in maintaining peace and stability. Such a fund would place the United States in a position to give highly desirable economic assistance, without having to divert funds earmarked for some other specific purpose. Such a fund would avoid the necessity of transferring funds to high-priority projects suddenly developing, at the expense of soundly conceived country programs which have been carefully presented for your approval as illustrative programs.

The President suggests a fund of \$100 million. We would expect to have it obligated in the course of the coming fiscal year. Some of it would doubtless be applied in aid of projects which we are already considering but which have not at the moment developed to a point where we are able to present them as part of our specific illustrative programs. Some of the fund would doubtless be applied to meet emergency situations.

SOUTH ASIA

In the light of *Pakistan's* commitment to the free world both in the SEATO [Southeast Asia Treaty Organization] and the Baghdad Pact, her efforts to maintain adequate defenses and to build economic strength deserve our strong support, for Pakistan's strength and freedom are a center link to a chain that guards free Asia.

Consistent with our policy of helping to

strengthen free nations which are striving to maintain their independence and which require help in achieving a rate of economic growth adequate for the minimum needs of their people, we plan to assist *India* in carrying out its second 5-year development program, which is to be initiated this year. It is important for the United States to give continued assistance as evidence of our interest in and friendship for the Indian people, thus helping a great nation, devoted to the principles of freedom, to make the economic advances which are essential to its welfare.

FAR EAST

The mutual security program in the Far East currently includes programs for Korea, Taiwan, Japan, the Philippines, Thailand, Viet-Nam, Cambodia, Laos, and Indonesia. In general, the reasons which I have already advanced for assistance to the less developed countries of the Middle East, Africa, and South Asia apply with equal force to all our Far Eastern friends and allies, except, in part, in the case of Japan, which is the only highly industrialized country in the Far East.

The major part of the total aid proposed for the Far East would go to Korea, Taiwan, Viet-Nam, Cambodia, and Laos. Each of these countries is now maintaining large military forces which it requires for its self-defense. These forces are larger, in some cases many times larger, than those which these countries can raise and support with their own resources alone. Over the past several years we have helped them to develop and maintain these forces through the provision of all types of aid. As a result, the strength and effectiveness of these forces has increased very greatly, but this strength and effectiveness cannot be sustained without continuing aid of considerable magnitude. Modern forces are far more expensive to maintain than primitive ones. Moreover, expanded forces require new facilities such as airfields, naval bases, and barracks. These countries, with their very limited resources, cannot meet the high costs involved out of their own revenues.

Some of these same nations, like Korea and Viet-Nam, have also faced the problem of recovering from the effects of war and of caring for and absorbing a great influx of refugees. They lack the foreign exchange to import consumer goods, industrial raw materials, machinery and

spare parts which their present economies need. They also face the necessity of increasing their own capacity for self-support and of making a beginning at the long task of economic development to raise living standards.

These countries will necessarily receive substantial military assistance under the 1957 program. The threat of further Communist aggression is not by any means removed, and it is unfortunate that, in countries with so much need for economic progress, it is necessary for the free world to spend such large amounts for military purposes. In the present state of the world this cannot be avoided.

The aid program for Korea continues to be the largest single aid program currently being conducted by the United States. This is true of both its military and nonmilitary components. This is partly because Korea has the largest single army in the Far East and one which is well beyond the capacity of Korea to support unaided. This army is largely composed of battle-trained veterans, and it has been created, and then maintained, at its present effective strength only by huge volumes of continuing military aid and defense support.

PRESIDENT'S FUND FOR ASIAN ECONOMIC DEVELOPMENT

A year ago, the Congress authorized appropriations of \$200 million for Asian economic development, but only \$100 million was appropriated. This year the President has requested appropriation of the remaining \$100 million. This committee is not called upon for any action now upon this request since the appropriation has been authorized.

The Congress knew that planning the expenditure of this money would take some time, and the funds appropriated were therefore made available for a 3-year period.

The first major expenditure from this fund will probably be for a regional nuclear research and training center to be located in the Philippines for the benefit of Asians. This was announced only last week.³ The Brookhaven National Laboratory will start off a comprehensive survey of this next month. Other projects under study involve communications, mineral-resources development, production improvement, rail and water transportation, and various regional technical training centers.

³ *Ibid.*, p. 544.

Latin America

The fiscal year 1957 program recommends continuance of our technical cooperation programs in Latin America. These are effective in assisting the self-reliant governments and peoples of Latin American countries in their own development activities. These governments are striving to achieve higher health, social, and economic standards, and the technical assistance we have been able to furnish has been warmly received and generously acknowledged.

The programs are designed to assist the peoples in each country to develop and utilize more effectively their tremendous human and natural resources. The programs are cooperative in that our representatives and those of the host government work side by side and are supported by the pooled contributions of both countries.

In a recent trip to several Latin American countries I gained the impression that the broad objectives of the mutual security program are being achieved in generous measure. In each country, whether it was in the palace or the foreign office or in some jungle area of the interior, the answer to the question "Who is carrying out this program?" was invariably—"we"—"your people and our people." This is the partnership spirit with which our people are carrying out the program, and it is gratifying to me to find that it is shared by those with whom we work. I think you can feel assured that these technical assistance programs are a source of genuine good will between the United States and Latin America.

Other Activities

We assist, as you know, various projects handled through U.N. agencies. In dollar amount our contributions to these agencies are included in the fiscal year program for a total of \$27,800,000.

Witnesses directly concerned with supervising and operating these programs will testify about them. They are in general comparable in size to the programs of earlier years.

It has been the policy of the United States to participate in these efforts of the United Nations as well as those of other international organizations to deal with certain problems of economic development and to meet the serious difficulties of certain especially needy people whose problems are best handled through multilateral action. We propose support of (a) our own program for

FREE ASIA'S IMPORTANCE

WORLD MANPOWER

Free World = 1.8 Billion



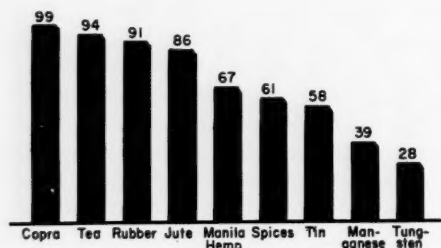
Soviet Bloc = 0.9 Billion



• 100 Million People

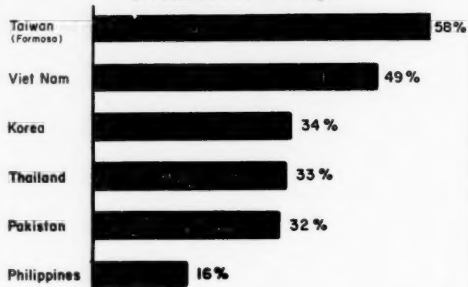
U.S. DEPENDENCE ON IMPORTS FROM ASIA

(Imports from Asia as Percent of Total U.S. Imports in 1954)



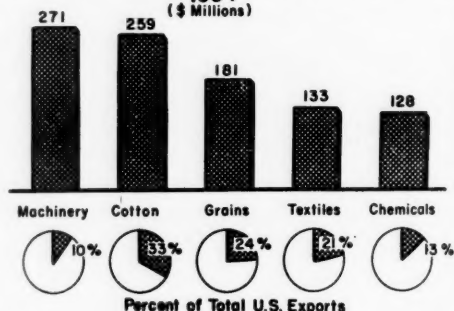
DEFENSE EXPENDITURES

(As Percent of FY1956 Budget)



PRINCIPAL U.S. EXPORTS TO FREE ASIA

1954 (\$ Millions)



escapees from communism, (b) the work of the Intergovernmental Committee for European Migration (ICEM), and (c) the program of paying ocean freight costs on donated relief supplies. These humanitarian programs are part of this Government's general support of collective action in the solution of important world social and economic problems, some arising out of World War II.

The Need of Flexibility

I have already referred to the need of flexibility to deal with the problems which confront us. This need will be apparent if I review for you briefly our planning and program cycle.

Ordinarily we come before your committee in the late spring. Incidentally, we are here before you earlier this year than in any year since 1952.

Hearings before this committee, the Senate Foreign Relations Committee, and the two Appropriations Committees are thorough and complete, and we develop for your benefit illustrative programs which indicate the purpose for which we are asking very large sums of money.

These illustrative programs, when they reach you, have gone through a long process. Already the country teams in the countries involved are working on the early stages of the planning for the fiscal year 1958. Much of the planning at the country level for the 1957 fiscal year program was done a year ago. These country programs, both military and economic, then receive a very thorough screening in the field and in Washington. Priorities among the projects are then determined. Those least useful and with least promise are eliminated, and the program requirements are reconciled with fiscal needs. The Bu-

reau of the Budget thereafter participates in extended hearings on the programs as developed, and they are again further refined. Thus, funds actually appropriated in the late spring or early summer of 1956 for the fiscal year 1957 program will be based on planning which started in the spring of 1955.

Appropriation of funds does not end our planning process. The Congress frequently makes changes in the program. This necessitates an extended further program review to adjust the illustrative programs to congressional action and to changes in the general world or country situation. It takes time to make allocations of funds to particular programs and situations. Usually we do not get the funds in form to be used until November or December of the calendar year in which the appropriations are made. After that, we must begin the long process of negotiation, first with other governments and later with contractors, designed to insure that we spend the money you have granted to us with wisdom and frugality. The negotiation cannot be started (particularly with foreign governments) until we know we have money to spend. This is particularly true with respect to country programs, including the sale of agricultural commodities or the use of loans as part of the program, for, in general, the agreement with such a country is on a "package" basis. Both for the Defense Department and for ICA, this puts us on a very tight time schedule—and forces active negotiation work by a busy staff just at the time when it is preparing to present the program of the next succeeding fiscal year to you.

This presentation is a very intricate task indeed. The large presentation documents which come to you each year do not write themselves. They involve a vast amount of careful writing, checking of figures, interdepartmental coordination and clearances, and editing. The Defense and ICA program and operating staffs have been working steadily on the documents which you have before you for over 2 months and at the same time have been pressing to carry out the obligating of fiscal year 1956 funds. The same people must work on both tasks, for they are the only people who have the detailed knowledge to do this. The situation is particularly difficult because section 106 of the appropriation act provides that not more than 20 percent of the funds made available under the act may be obligated or reserved during the last 2 months of the fiscal year.

I wish to make two principal points on the basis of this description of the cycle.

First, a period of 1½ years to 2 years thus elapses between (a) initial planning and (b) obligation of funds. This means a substantial time lag between ascertainment of requirements and obligation of funds. New and substantial requirements can develop rapidly in the interim. We can meet these new requirements under present legislation in two ways.

1. We can transfer funds from other carefully prepared programs. This is undesirable because it means abandonment or postponement of carefully planned programs of assistance which are badly needed.

2. We can use the \$100-million President's contingency fund under section 401. This is our most valuable flexible asset in carrying out mutual security objectives, and we should save this for the most serious emergencies and unprogramed calls on our funds. The proposal of an additional Middle East and Africa fund, which I have already mentioned, in essence would give us a further available source of emergency funds for use in this region. Although this fund would be earmarked for use in a particular area of the world, it is a region in which unexpected need for funds is especially likely to arise.

Second, the planning and program cycle which I have described shows that the time available for obligation of mutual security funds is very short indeed, especially when 80 percent of them must, under the provisions of the present appropriation law, be obligated during the first 10 months of the fiscal year. I believe the taxpayers would get better value for their money and the conduct of the mutual security program would be improved if the Congress were to adopt the following recommendations:

(a) Make military assistance funds available on a "no year" basis as in the case of most other military procurement funds expended by the Department of Defense;

(b) Provide that at least 25 percent of nonmilitary Mutual Security Act funds shall remain available until September 30 following the end of the fiscal year (i. e. be 15-month funds).

I feel sure that the present provision limiting obligations in May and June to 20 percent of appropriations for the year exerts undue and unnecessary pressures for early obligation of funds which inevitably lead to hasty action. In essence,

the present provision moves the pressure for last-minute obligation of funds forward from June 30 to April 30, thus worsening the situation instead of improving it. I hope that the appropriations committees will see fit to relieve us of this requirement.

Further flexibility is needed in another wholly different direction. At the present time, the President is authorized to use under the provisions of section 401 of the Mutual Security Act (President's Special Fund), without regard to the provisions of the act itself or of any other statute for which funds are appropriated under the act:

(a) \$100 million specifically appropriated under the act for fiscal year 1956; and

(b) \$50 million of any other mutual security funds appropriated for fiscal year 1956.

This provision has enabled us to move promptly to carry out the purposes of the act in a number of critical situations where these purposes could not otherwise be accomplished within one or more of the normal restrictions of the Mutual Security Act and of certain other statutes.

We believe that the ability to act rapidly in an unrestricted fashion will prove to be even more necessary in the year which lies ahead. Accordingly, the President has recommended the broadening of the valuable authority provided by section 401 in three respects.

First, he has requested that the amount which is subject to the provisions of section 401 should be increased from \$150 million (composed of a specific appropriation for fiscal year 1956 under section 401 of \$100 million and any other \$50 million of fiscal year 1956 mutual security funds) to \$300 million (composed of a new specific appropriation of \$100 million for fiscal year 1957 under section 401 and any other \$200 million of fiscal year 1957 mutual security funds). This would mean that \$300 million, or about 6 percent, of the total mutual security funds requested for fiscal year 1957 would be subject to the high degree of flexibility now afforded by section 401.

Second, the President has requested that he be given authority to use not in excess of \$100 million of the funds available under section 401 without regard to the requirements of any act, if the President determines that such use would be important to the security of the United States. This provision would be similar to the broad exemption already furnished by section 404 of the act with respect to the funds provided under that section.

Third, he has requested that the amount of funds which may be allocated under section 401 to any one nation in any one fiscal year be increased from \$20 million to \$40 million.

These three changes would be an important addition to the authority of the Department of Defense and of ICA to move rapidly and flexibly to take necessary action in cases which may arise.

Long-Term Commitments

The President has recommended that, for non-military projects of significance or importance, the President be authorized to make commitments for not over 10 years. The funds to fulfill such commitments would come from appropriations for nonmilitary purposes and would not exceed \$100 million in any one year.

The significant feature of the requested authority would be that the President would be able to give to other nations assurance, backed by congressional approval, that annually an agreed United States contribution to the projects in question will be made within and subject to the limits of the funds made available annually.

The Aswan Dam has frequently been cited as an example of the type of project in contemplation. Although in the initial stages of this project use of the requested new commitment authority may not be involved, it does serve to illustrate the possible use of the requested authority.

This project is a large river development involving many facets (irrigation, power, transportation, flood control, related agricultural enterprises, and service activities) all of which in the aggregate constitute a long-range development project, partly to be financed by the country to be benefited and partly by assistance programs and international loans. All these elements of such an enterprise must be pulled together into a sound arrangement for its financing. To obtain one part of the financing there must be assurance of the availability of the balance. The government of the country concerned must know that the project is financially feasible before it can safely go forward or even plan on a firm basis.

Other types of projects for which such a power would be useful involve harbor development, road systems, inland waterways, power systems, communications systems, industrial and educational centers, with their respective related and subsidiary schemes. If these are to be carried out over a period of years, there is no need of actual ap-

appropriations until the year in which the funds are actually to be obligated approaches. However, we do request the authority, at an earlier date, to make commitments *not* amounting to binding *contract authority* but backed by the assurance of the Congress that these are undertakings for which we expect later to make appropriations. This authority may prove to be a very powerful and useful mutual-security instrument in the difficult years lying immediately ahead.

From personal experience in the House of Representatives, I know and understand the congressional reluctance to permit long-term arrangements. The Congress likes to review proposed appropriations on an annual basis and to check on the expenditure of previously granted funds before granting new authority. This opportunity to review will not be completely lost under the proposal, for annual appropriations must be made.

In the face of greatly increased Communist activity in the economic field, those charged with the execution of our mutual security programs are

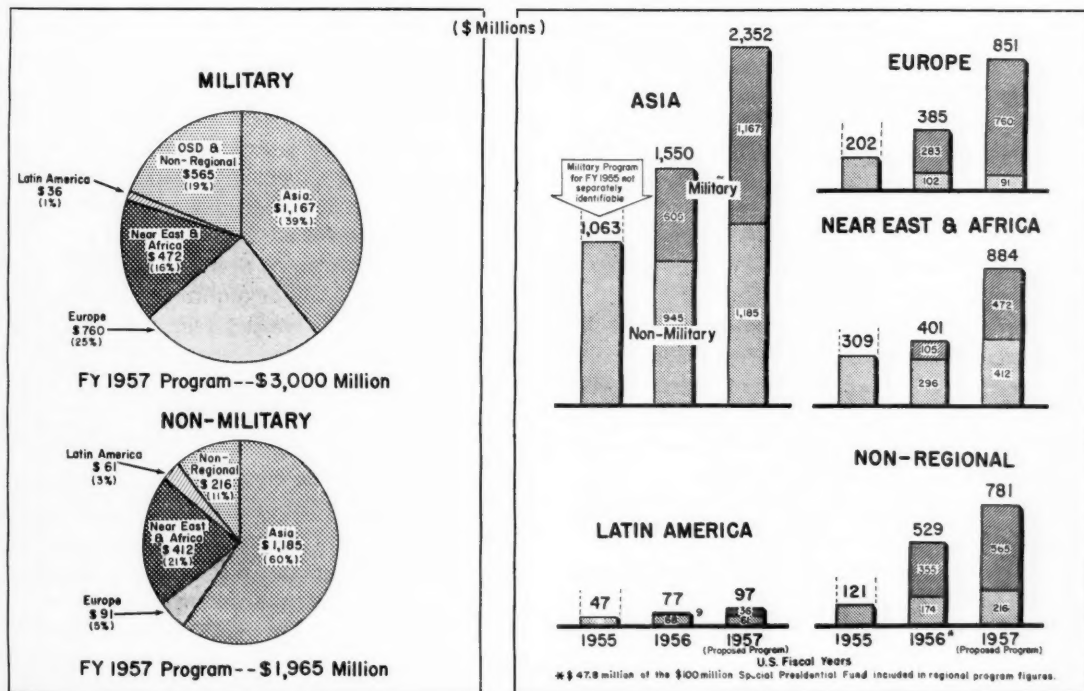
going to need every reasonable tool to accomplish their objectives. The Communist leaders can act on dictatorial fiat without accountability to anyone. They need not give thought to any wishes of their own people or to their crying need for consumer goods. We seek no such autocratic power.

Agricultural Commodities

Under section 402 of the 1954 act, as amended, \$300 million is to be used in the current fiscal year to finance the export and sale for foreign currencies of surplus agricultural commodities produced in the United States. If we fail to arrange for such exports in the full amount, to the extent of our failure we cannot use our appropriations. To that extent the mutual security program of the United States and its allies is curtailed, and carefully planned projects must be scrapped or postponed.

In fiscal year 1956 we hope to reach the \$300-million mark, but may fall short. Whatever figure we reach will be only after much effort and

PROGRAM BY REGION



in the face of many difficulties. In these situations, we must always try to avoid hurting normal export markets for United States agricultural products or for the products of our allies and friends. If we did cause such injury, we would do damage to the very cause of free-world security and stability we are trying to serve. This limits our opportunities. The 50-50 shipping provision also sometimes makes the problem difficult, particularly our efforts to work out triangular arrangements. The shift of the mutual security economic program toward less developed countries, which are predominantly agricultural and therefore need our surpluses less, also accentuates the problem.

I therefore ask that the requirement of section 402 for the coming fiscal year be set at \$250 million. We shall do our utmost to carry out the purposes of section 402, but we do not want to see useful projects abandoned for lack of funds, merely because under current world conditions we find it impossible to reach some arbitrary goal.

Loans

In the administration of the mutual security program it has been this Government's policy to encourage the financing of nonmilitary projects and activities by private investment or through public lending institutions such as the Export-Import Bank and the International Bank for Reconstruction and Development. This policy has been considered and applied in formulating the program for fiscal year 1957. Unfortunately, loan financing of this character has not been available in adequate amounts to meet the requirements for capital even in many countries whose economies are sufficiently stable to indicate capacity for repayment.

Under the mutual security program, we have provided our assistance in the form of loans rather than grants, so far as this was consistent with the attainment of mutual security objectives. We have tried to make sure that loans did not supplant those which might be available from the public lending institutions or replace potential private capital investment, if that possibility exists. Consequently, we have restricted the use of mutual security loans to situations in which the transaction would not take place at all unless on terms substantially more liberal than those available from the public lending institutions. The efforts

this year to increase the volume of loans actually made under the mutual security program have been disappointing. It has been found that the attempted substitution of a loan for a grant is frequently, either for political or economic reasons, inconsistent with the attainment of mutual security objectives, unless the terms of such loans are so liberal as in effect to constitute partial grants.

Unexpended Balances

At a later stage of these hearings, the appropriate accounting officers of the Defense Department and of ICA will discuss in detail the status of past appropriations and the unexpended balances of prior appropriations which we anticipate at the end of fiscal year 1956.

My present estimate, on the basis of information furnished by the Department of Defense, is that the balance of unexpended military assistance appropriations on June 30, 1956, will be about \$4.8 billion. This balance will represent a decline in the 2-year period since June 30, 1954, of about \$2.9 billion. It will be equal to about 2 years of military assistance expenditures at the average rate for the fiscal years 1955 and 1956.

On the nonmilitary side, on June 30, 1956, there will probably be a slight decline in unexpended balances from the levels prevailing at the end of June 1955 and June 1954. This balance will be equal to about 1 year's expenditure at the average rate now prevailing.

The new military assistance authorization requested is equal to about 1 year of expenditures (\$2.4 billion) at the present rate plus the \$530 million requested for advanced weapons of a type for which, in general, no previous appropriations have been made. The nonmilitary authorization requested is equal to about 1 year of expenditures at the current rate.

This, ladies and gentlemen, is a summary of my views on this vast program. The needs for such a program were never greater. The usefulness of it seems to me to be borne out by the news we read in each day's newspapers. We shall try to give you in the days to come a full picture of every aspect of the program. We think that the facts which you will hear in testimony and will find in written form in the presentation books will be more convincing than any expression of opinion anyone can give you.

East-West Trade

Statement by Under Secretary Hoover¹

You have asked me to appear today to give information on the matter of East-West trade.

At the outset there should be a clear understanding of the type of East-West trade with which we are here concerned. We do not refer to trade between the United States and the Communist bloc, for controls on our trade with the Communists are not in question. What we are dealing with here is trade between our allies and the Communist countries. The only effective way in which we can control that trade is through the power of persuasion.

We have offered to give your subcommittee—and we repeat our offer—all necessary and appropriate information about such trade. The issue between us seems to be that the subcommittee insists that all of this information be given in public session. We, on the contrary, feel that certain portions should only be given to the Congress on a classified basis. To make this information public would violate our agreements with our allies and would be prejudicial to our national security interests.

In any consideration of our system of international controls it is essential to remember that these controls depend entirely upon a system of voluntary cooperation among the free nations of the West. Thus, the 1954 revision of the International Control List had to be negotiated and agreement reached with all 14 of our allies.²

In those negotiations neither the United States nor any of the other participants got everything they wanted. The State Department, as well as the other interested Departments, was not happy

to see many items deleted from the control list. By the same token, some of our allies were not happy to see some items retained. We did succeed in retaining on the list highly strategic items which could not be controlled successfully without international agreement. We also succeeded in achieving our other major objective, the setting up of a more effective enforcement system. Without agreement among all 15 nations it would not have been possible to have any International Control List at all.

Thus all the responsible agencies are in full support of Governor Stassen's statement that the 1954 negotiations achieved a net security advantage for the United States, under all the circumstances then prevailing, and that the results were in the best interests of the United States.

Some criticism has been directed, during the course of these hearings, at our allies for the position taken by them with regard to East-West trade controls. They, as well as we, were seeking to achieve a balance between the beneficial effects of peaceful trade and the dangers of unrestricted trade in strategic items. Sometimes we disagreed, as free nations often do, as to where to strike that balance. Our negotiations in 1954 were on the whole a successful effort to resolve this problem.

It has been suggested that we might have been more successful if we had used more than the power of persuasion. President Eisenhower answered that contention on December 2, 1953,³ as follows:

The easiest thing to do with great power is to abuse it, to use it to excess. This most powerful of the free nations must not permit itself to grow weary of the processes of negotiation and adjustment that are funda-

¹ Made on Mar. 26 before the Senate Permanent Subcommittee on Investigations (press release 161).

² For a Foreign Operations Administration announcement on the 1954 revisions, see BULLETIN of Sept. 13, 1954, p. 372.

³ *Ibid.*, Dec. 14, 1953, p. 811.

mental to freedom. If it should turn impatiently to coercion of other free nations, our brand of coercion, so far as our friends are concerned, would be a mark of the imperialist rather than of the leader.

During the course of this investigation, complaints have been made that the executive branch has withheld information about the 1954 negotiations which the Congress has a right to know. I do not think the record will sustain that point.

On February 14 I appeared before your subcommittee in executive session. I offered full cooperation to the subcommittee and explained that much of the information sought could only be given in executive session in order to protect our national security. The subcommittee did not respond to that offer but instead proceeded with open hearings.

Therefore, on February 20 a letter was sent to the chairman on behalf of the Departments of State, Defense, and Commerce and the International Cooperation Administration.⁴ That letter is in the record of these hearings. It pointed out that most of the documents involved in these international negotiations were classified and highly sensitive and that they involved our relations with other governments. It was further stated that in many instances we had given a specific commitment to keep the participation of a particular nation in this program secret. The letter concluded that, for these reasons, the International List could not be made public but full information as to items on the List could be offered to the subcommittee in executive session and on a classified basis.

In a further effort to clarify our position a letter was addressed to the chairman on March 23,⁴ pointing out that the information already offered would give the subcommittee, on a classified basis, every item on the International List. I would like to enter that letter into the record at this time. It stated we were ready to give the subcommittee the List itself on a classified basis and to discuss the 1954 revisions of that List with the subcommittee in executive session.

Our request is not unusual. We are only asking to follow the same procedure followed by the other committees of the Congress. In matters involving foreign relations, officials from the responsible Departments meet in executive session on frequent occasions with the appropriate congressional committees to testify on classified mat-

ters that affect the national interest. That is all that is being requested in this instance.

We believe that this position is essential if a system of international trade controls is to be maintained. That system rests on a voluntary agreement among ourselves and 14 of our allies. When the agreement was negotiated in 1954, it was decided by the 15 negotiating countries that the International List and the negotiations which established it were to be classified. Some of our allies would only consent to participate in the negotiations on the basis of a specific commitment to that effect. Pursuant to that agreement and under security regulations issued by the Secretary of State, the International List and the documents on which that List was based were classified.

I have personally examined the documents involved, and it is my considered judgment that to declassify the material would not only be a breach of faith which would be prejudicial to our foreign relations but that it could seriously risk destroying the entire agreement upon which our system of controls now rests. Furthermore, it would jeopardize our ability to conduct further negotiations on this or any other subject in the future. For these reasons the executive branch must respectfully decline to declassify the International List. It is, however, as stated previously, available to the subcommittee on a classified basis.

In arriving at this conclusion a number of other factors had to be considered. Our allies know that they must trade if they are going to survive. Many of them have had a substantial trade pattern with countries now within the Communist bloc, extending back over a period of a century or more. They are under constant pressure from their parliaments, trade unions, and industrial interests to expand their trade. They regard trade-control lists as an obstacle to such expansion. That attitude is reflected in their negotiations with us. We have done our best to resist those pressures. Our task would be made far more difficult if the International List were published at this time.

Another factor has to do with Communist propaganda. East-West trade controls are a major target area today for Red propaganda. The Communists are seeking every opportunity to divide the free nations on this issue. Were the Inter-

⁴ Not printed here.

TREATY INFORMATION

Friendship, Commerce, and Navigation Treaty With Netherlands

Press release 164 dated March 27

A treaty of friendship, commerce, and navigation between the United States and the Kingdom of the Netherlands was signed at The Hague on March 27. The American Ambassador, H. Freeman Matthews, signed on behalf of the United States. The Netherlands signers were Dr. J. W. Beyen, Minister of Foreign Affairs, and Dr. J. M. A. H. Luns, Minister Without Portfolio.

The new treaty affirms the friendly and cooperative spirit prevailing between the two countries and reflects the important business and commercial interests which have developed in their economic relations. The broad and liberal provisions embodied in the treaty represent a set of principles designed to promote the continued growth of those relations along mutually beneficial lines.

The new treaty contains 27 articles, together with a protocol and exchange of notes, and covers a wide range of subject matter. In brief, each of the two countries:

- (1) agrees to accord within its territories, to citizens and corporations of the other, treatment no less favorable than it accords to its own citizens and corporations with respect to engaging in commercial, industrial, and financial activities;
- (2) formally endorses standards regarding the protection of persons, their property and interests, that reflect the most enlightened legal and constitutional principles;
- (3) recognizes the need for special attention to stimulate the international movement of investment capital; and
- (4) reasserts its adherence to the principles of nondiscriminatory treatment of trade and shipping.

This treaty is the sixth of its type to have been concluded between the United States and European countries since World War II. It represents another step in a program pursued by this Gov-

national List to be published, it would become a target for attack by Communists and left-wing groups within the participating countries. The combination of parliamentary, trade union, and business pressures, spurred on by subversive groups directed by the Communists, could, in our judgment, jeopardize the entire international system of controls.

It has been claimed that the International List is already public and known to the Soviets. What is known to the Soviets is, of course, a matter of speculation. No doubt they do have some information as to items which are controlled. That does not seem to be a valid reason why they should be given all the information.

It has also been contended that the British Board of Trade List is identical to the International List. That contention is not correct. The items on the British list vary in significant details from those on the International List. The British list does not include the surveillance list nor the amounts of the quantitative control list. National lists are published by a number of other countries—among them the Italians, the Canadians, and ourselves. None of these lists are the same, and none of them are the International List.

There is one other aspect of this problem that should be mentioned. It is referred to in our letter of March 23. The working papers of the Joint Operating Committee are internal communications and working papers of an advisory nature which are historically retained within the executive branch. These files and working papers we are not in a position to make available to the subcommittee. The Secretary of Commerce is prepared to discuss this aspect of the matter later in the hearing.

We regret that the balance of the information now being requested by your subcommittee can only be furnished on a classified basis. To declassify it would jeopardize our foreign relations and be prejudicial to the national interest. There is no effort on our part to withhold from the Congress any information which it should rightfully have. Our only interest is to see to it that the information is made available in such a way as to protect the best interests of the United States.

In conclusion, Mr. Chairman, may we repeat that we desire to cooperate with your committee to the fullest extent possible in your consideration of this important subject.

ernment for the modernization of its commercial treaty structure and the establishment of legal conditions favorable to foreign investment.

Similarly, the treaty is responsive to the important interest which the Netherlands has in international commerce and investment, both as receiver and as supplier of goods and capital, and reflects the policies which that country has developed to attract American capital. A large number of American firms have established branches or factories in the Netherlands in recent years, and Netherlands firms likewise have substantial and expanding investments in the United States.

The treaty will be transmitted as soon as possible to the Senate for advice and consent to ratification and, when the ratification processes of both countries have been completed, will enter into force one month after exchange of ratifications. Provision is made regarding the extension of the treaty to Surinam and the Netherlands Antilles upon the election of those territories communicated through the Netherlands Government.

Current Actions

MULTILATERAL

Genocide

Convention on the prevention and punishment of the crime of genocide. Done at Paris December 9, 1948.¹
Accession deposited: Afghanistan, March 22, 1956.

Labor

Convention (No. 80) for the partial revision of the conventions adopted by the General Conference of the International Labor Organization at its first 28 sessions. Done at Montreal October 9, 1946. Entered into force May 28, 1947 (TIAS 1810).
Ratification deposited: Bulgaria, November 7, 1955.

North Atlantic Treaty

Agreement between the parties to the North Atlantic Treaty for cooperation regarding atomic information. Signed at Paris June 22, 1955.
Notification of being bound by terms of the agreement: Turkey, March 29, 1956.
Entered into force: March 29, 1956.

Safety at Sea

Convention on safety of life at sea. Signed at London June 10, 1948. Entered into force November 19, 1952. TIAS 2495.
Acceptances deposited: Brazil, January 17, 1956; Venezuela, February 8, 1956.

Regulations for preventing collisions at sea. Done at London June 10, 1948. Entered into force January 1, 1954. TIAS 2899.
Acceptance deposited: Uruguay, August 18, 1955.

Slave Trade

Protocol amending the slavery convention signed at Geneva September 25, 1926 (46 Stat. 2183), and annex. Done at New York December 7, 1953. Entered into force for the United States March 7, 1956.
Proclaimed by the President: March 16, 1956.

Trade and Commerce

Fifth protocol of rectifications and modifications to the texts of the schedules to the General Agreement on Tariffs and Trade. Done at Geneva December 3, 1955. Will enter into force on the day it has been signed by all the contracting parties to the general agreement.
Signatures: Haiti, Indonesia, Italy, Netherlands, New Zealand, Federation of Rhodesia and Nyasaland, United States of America,² December 3, 1955; Union of South Africa, December 5, 1955; Finland, January 4, 1956; Belgium, February 16, 1956.

BILATERAL

Italy

Agreement amending the surplus agricultural commodities agreement of May 23, 1955 (TIAS 3249) by providing that funds may also be used for the purchase of corn and feed grains. Effected by exchange of notes at Rome August 30 and September 2, 1955. Entered into force September 2, 1955.

Netherlands

Treaty of friendship, commerce and navigation, with protocol and exchange of notes. Signed at The Hague March 27, 1956. Enters into force one month after the day of exchange of ratifications.

Philippines

Agreement providing for disposition of equipment and material furnished by the United States under the military assistance agreement of March 21, 1947 (TIAS 1662). Effected by exchange of notes at Manila July 27, 1953, and March 3, 1956. Entered into force March 3, 1956.

Spain

Agreement supplementing the surplus agricultural commodities agreement of March 5, 1956 (TIAS 3510) by providing for the exchange and use of funds acquired from the purchase of fertilizer by Spain from Austria. Effected by exchange of notes at Madrid March 16 and 17, 1956. Entered into force March 17, 1956.
Agreement supplementing the surplus agricultural commodities agreement of March 5, 1956 (TIAS 3510) by providing for the resale of wheat to Switzerland. Signed at Madrid March 20, 1956. Entered into force March 20, 1956.

Thailand

Agreement for the sale and purchase of tin concentrates. Signed at Bangkok March 12, 1956. Entered into force March 12, 1956.
Agreement for cooperation concerning civil uses of atomic energy. Signed at Bangkok March 13, 1956. Entered into force March 13, 1956.

¹ Not in force for the United States.

² With a reservation.

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* Not printed.



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